THE TIMES

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Chancellor's 'Budget for business' takes £140 off community charge

Lamont transfers poll tax burden to VAT at 17.5%

By ANATOLE KALETSKY, ECONOMICS EDITOR, AND DOUGLAS BROOM, LOCAL GOVERNMENT CORRESPONDENT

NORMAN Lamont yesterday increased value-added tax to 17.5 per cent to finance a £140 a head cut in the poll tax. The move comes in advance of Michael Heseltine's statement tomorrow, when he is expected to announce the replacement of the community charge by a property tax. The Chancellor's package will be rushed through Parliament on a guillotine next Tuesday.

The other main Budget measure was the abolition of higher rate tax relief on mortgages. The impact of that was cushioned by raising the threshold for higher rate tax, leaving higher earners with a £30,000 mortgage about £1 a week worse off.

On the economy, Mr Lamont said that gross domestic product would fall by 2 per cent this year, matching the fall recorded in 1980, the first year of the worst recession in Britain's post-war history. He predicted, however, that output would start to recover slowly by the summer. In the first half of 1992, GDP would grow by 2 per cent, he said.

Mr Lamont offered few specific measures to accelerate economic recovery. Although the City continued to expect an interest rate cut, perhaps as early as today, the Chancellor pointedly avoided making any specific promises and gave no hint of how far down they might go.

The most important other measure announced yesterday was a stepped cut in corporation tax, designed to encourage businesses to invest their way out of recession. From the financial year beginning in April, corporation tax will be reduced from 35 to 33 per cent. To help previously profitable companies which have been struggling as a result of recession, Mr Lamont added an unusual provision to reduce the tax retrospectively to 34 per cent for the current financial year.

In a low-key Budget with little hint of pre-election pump-priming for the economy, Mr Lamont announced a series of minor measures to encourage employee savings and offer limited help to small companies. Apart from the move on higher rate mortgage relief, the only significant changes in personal taxation was a limited switch of tax relief from married allowances to child benefits and a substantial increase in the tax on company cars. Company cars were also made subject to national insurance.

The 2½-point increase in VAT represents the biggest switch in tax revenues since Sir Geoffrey Howe's first budget in 1979, when the tax was almost doubled to 15 per cent. It would raise £4 billion and that, along with big rises in excise duties on alcohol, tobacco and petrol, will enable the government to reduce next year's average poll tax bill from about £392 to £252

That leaves residents of the London borough of Wandsworth with no bill at all. The council had planned to set Britain's lowest poll tax at £136 a head from April 1. Shetland Islanders, whose council set the lowest charge in Scotland, will pay £1 a head.At Rochester in Kent, which levied the lowest tax among shire districts, the charge will be reduced to £50.

The local authority associations, which had been planning a critical response to tomorrow's announcement on the future of the poll tax, were taken unawares by the Chancellor's statement. Both the Tory-controlled Association of District Councils and the Labour led Association of Metropolitan Authorities declared themselves "gobsmacked" by the scale of the new scheme.

Mr Lamont drew much of the sting of any criticism of the lateness of his announcement by guaranteeing to cover the additional administrative costs involved.

Poll tax bills have already been sent out by some councils and all local authorities are required to issue bills by the end of the month. Councils will now have to delay issuing poll tax bills until the £140 reduction has been made.

Mr Lamont said they would be compensated in full for the costs of amending bills and computer software which the local authority bodies said last night would be at least £60 million. The Chancellor is also bringing forward the payments councils receive from the national business rate pool, administered by the Treasury, to cover the shortfall in income next month caused by late billing.

Wandsworth council last night said it was delighted with the scheme but advised that it would not be allowed to refund the £4 excess between its charge and the £140 rebate. Sir Paul Beresford, the council leader, said that it would, however, waive an additional £2.50 a head local rate charged in Putney for the upkeep of Putney common.

He said the council's poll tax collection team, who will now have no work to do, would offer to undertake work for other authorities, including neighbouring Lambeth where the £590 poll tax will be reduced to £450 a head.

Labour's local government spokesman, David Blunkett, said: "This new prescription still taxes hardest the same people who were suffering most under the poll tax. Poll tax bills will only be cut by taxing childrens toys, household goods and clothes."

Analysis, comment and Lamont's speech in full, pull-out section, pages 11-18
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ADRIAN BROOKS

Burying poll tax: the chancellor with his wife before going to the Commons to present his "budget for business"

Ministers move to damp talk of June election

By ROBIN OAKLEY, POLITICAL EDITOR

IN A bold and nakedly political budget statement Norman Lamont yesterday convinced most Conservative MPs that the prime minister is keeping open the options for a June election. Senior ministers last night, however, moved to limit such speculation. "We don't want to get bounced," one said.

The chancellor called it a "budget for business". His MPs saw it as a budget to bury the poll tax and to bring back the votes of skilled workers as well as those of small businessmen.

For the opposition, the shadow chancellor John Smith said that the government was trying to buy its way out of the poll tax by putting a price increase on almost everything people bought.

Mr Lamont's boldest and riskiest stroke was the increase in VAT and the subsequent lowering of the poll tax. Poll tax charges for 1991-1992 will not have to be paid until the bill is law. A general election in early June could thus be held before anyone had paid the community charge.

However, senior ministers believe that the end to the recession is in sight and argue that the arguments for going to the country are therefore weaker. The prime minister is expected to contribute to the "wait a while" tendency in a speech at the Conservative Central Council meeting in Southport on Saturday in which he will set out a programme for the development of Britain over the next ten years.

Mr Major and Chris Patten, the party chairman, are said by colleagues to be ready to take an opportunity in June if the local election results in May are spectacularly good , but not to be actively pushing for an early election. Most of the cabinet are said to be quite happy to wait for an election in the spring of 1992 after the spectacular fall in inflation expected over the rest of this year has been followed by further cuts in interest and mortgage rates.

It is a measure of the chancellor's confidence that the battle against inflation is being won that the VAT increase would in isolation add 1.1 per cent to the retail price index. The increase in duties on tobacco and alcohol will add another 0.8 per cent. But the community charge reduction will cut the RPI by 1.3.

Mr Lamont forecast that inflation would be running at less than 4 per cent by the last quarter of the year and below that early in 1992. But he said nothing in the chamber or afterwards about interest rates and for most MPs it is the progress in reducing those

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Political sketch

Growls from the gallery

DAVE Blunkett's guide dog, Offa, lay disconsolately on the carpet, staring up at the mace. This might be the Budget, but to Offa it was just another day.

My seat being right next door to the "overflow" gallery used by government MPs who have found no room downstairs, I had the benefit throughout of growled Tory comment and interruption from my left. It enlivened a heavy afternoon.

Sitting on the carpet, Harry Greenaway (C, Ealing N) had wedged himself up against Mrs Thatcher's bench. "*Look what she's got for a book end!*" came the first growl, as Norman Lamont rose.

The chancellor started by noting that recent polls showed him level-pegging with Desert Orchid for public recognition. Both had huge stakes riding on them.

"*And neither of them has* her *on his back*" — another growl from my left.

Speaking of last year's ill-fated boom, Mr Lamont observed that "... some firms, and individuals, became over-extended."

"*Her, for instance.*"

"... If I may confess it," continued the chancellor, "I don't believe in miracles."

"*You'll say twenty 'Hail Margarets' for that*".

"... This will assist those who give up safe managerial positions to set out on the rocky road of running their own business".

"*Poor John ...*"

My Tory commentators fell silent for a bit, while Mr Lamont lobbed a little praise, gingerly, in Mrs Thatcher's direction: "... And this" (he meant the change in economic attitudes) "was the lasting achievement of my right hon friend for Finchley".

"*Look at her!*" I looked. Mrs Thatcher wore an expression of deep suspicion.

"... There will be tax relief for seafarers". Ted Heath smiled. "Tax relief will be given on gifts of equipment to schools ..."

"*Especially Harrow*".

"... And I propose to alter the basis on which beer is taxed".

"*After it's drunk*".

Mr Lamont began to explain additions to the taxation of spirits. The bench of peers in the "distinguished strangers" gallery suddenly emptied, as their Lordships filed out.

"*Where are the old boys off to?*" Ten minutes later, their Lordships filed back. Much giggling to my left. "*Went out for a quick drink before they put the prices up.*"

In future privatisations, said the chancellor, shares could be "distributed directly to the public through high street outlets".

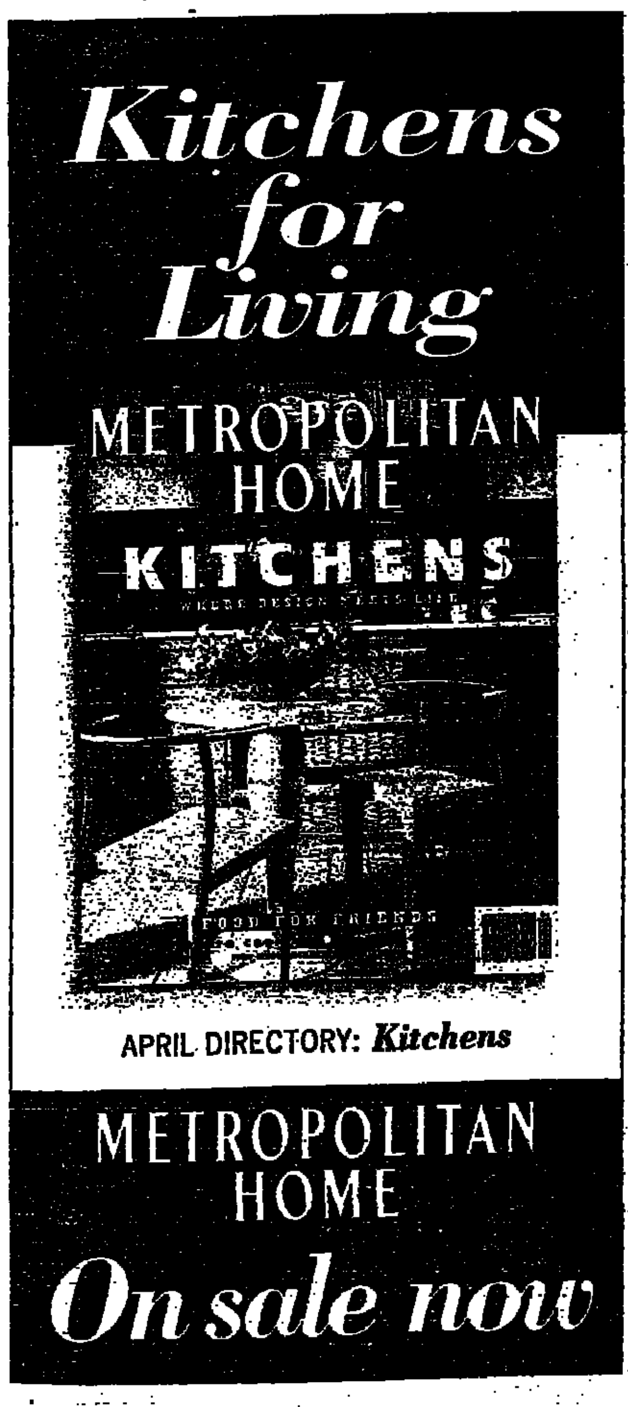
"*Ladbrokes*".

Raising tax bands, exlained Mr Lamont, meant that higher rate tax should only begin to bite into incomes beyond £29,000. Chuckles all round. MPs earn £29,032.

"*Good stuff, Norman. Just under the wire.*"

Offa opened and shut one eye. I think he was winking.

MATTHEW PARRIS



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Dam threat to Baghdad

Kurdish rebels in Iraq, who claim to have seized Kirkuk, the northern oil city, warned Iraqi forces that if they used chemical weapons or fired Scud missiles the Kurds would blow up two dams which would devastate Baghdad with floodwaters.. Page28

Soviet split

President Gorbachev got an overall majority for his union treaty nationwide, but Boris Yeltsin's success in the Russian Federation boded ill for any improvement in relations between Russia and the central government......... Page 28

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Diary secrets

Betty Kenward, who writes "Jennifer's Diary" in *Harpers & Queen* and is retiring in July at the age of 85, talks exclusively to *The Times*... Page 24

BUDGET SUMMARY

Corporation tax cut to help recovery

Corporation tax is cut by 1 per cent to 34 per cent for profits in 1990/91 to boost company cash flow in the recession. Rate cut by 2 per cent for profits in 1991/92. Profits thresholds for small firms raised by more than rate of inflation. Other concessions on past trading losses and bad debts ease VAT burden on industry. The two cuts in corporation tax will cost £380 million in the coming year and £830 million next year Page 11

Prices rise from April 1

VAT increases by 2½ per cent from 15 per cent to 17½ per cent to pay for the reduction in poll tax bills. Rise effective from April 1 .... Page 11

Child benefit increase

Child benefit rises by £1 a week for the oldest child and by 25p a week for other children from October 1. The new weekly rates will be £9.25 and £7.50. The increases are on top of the £1 a week rise for the first child effective from April 8. They cost £220 million in 1991/92. In future, rises in line with inflation.. Page 14

Higher rate mortgage ends

Mortgage tax relief at the higher rate of income tax is abolished from April 6. This saves £420 million in a full year. Income threshold for the higher rate is raised by £1,000................. Page 13

Drink, petrol, tobacco up

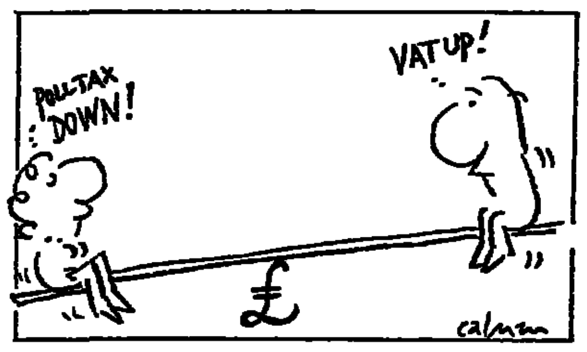
Excise duties rise by 15 per cent on petrol and tobacco and in line with inflation on alcohol. Increases put 3.9p a litre on leaded petrol, 3.4p on unleaded and 3.3p on diesel. A packet of 20 cigarettes rises by 16p. A pint of beer goes up by 2p (high-alcohol beers by more), a bottle of wine by 9p and a bottle of spirits by 56p .... Page 13

Higher personal allowances

Income tax rates are unchanged. Personal and age-related allowances rise in line with inflation with the exception of the married couples allowance. Single person's allowance up by £290 to £3,295... Page 14

Company cars hit

Taxes on company cars increase by 20 per cent. Private use and the fuel also becomes liable for employers' national insurance contributions of 10.4 per cent. Higher tax scales raise £190 million in the coming year and £250 million in 1992/93. Extension of NICs raises £610 million ... Page 12



Bill for 'scourge' phones

Mobile phones — the scourge of modern times, says the Chancellor — become taxable. Private use of portable phones and car phones supplied by employers valued at £200 a year............. Page 11

Share schemes widened

Incentives to widen employee share schemes. Companies operating such schemes can offer their shares at 15 per cent below market value where every worker qualifies.............................. Page 12

More help for charities

Charities benefit from new concessions aimed at increasing company donations. The £5 million ceiling for tax relief abolished. Gifts of equipment to schools qualify for a new relief........... Page 13

Pools to aid the arts

Pool betting duty is to be cut by 2½ per cent provided the main pools companies agree to channel the £20 million give-away into a new foundation to support sports and the arts and make a contribution of £40 million .... Page 11

Inflation at 4% this year

Inflation is forecast to fall to 4 per cent by the end of the year. GDP in 1991 as a whole should be 2 per cent lower than in 1990. To the middle of 1992, GDP should be 2 per cent higher than in the preceding 12 months. Trade deficit is halved to £6 billion in 1991. PSBR for 1991/92 is £8 billion. M0, the narrow measure of money in circulation, is tightened to a target of 0% to 4%......... Page 12

Peps concessions

Savings and investments are boosted through new tax concessions on personal equity plans (Peps), national savings and profit related pay (PRP). Fees paid by individuals for job training become tax deductible. Further government sale of BT shares through high street share shops if banks and building societies agree to such a network.

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★★★★★★

As the local government focus turns to council reform, Times writers study the background

Westminster leaks outlined the course of poll tax successor

Gould: attributed leaks to Michael Heseltine

By NICHOLAS WOOD
POLITICAL CORRESPONDENT

THE prime minister was said yesterday to have been irritated by media reports that the government has agreed a blueprint for abolishing the community charge and making sweeping changes in the structure of local government.

He had told backbenchers the night before that he was repeatedly coming across reports of the review that he did not recognise. Government sources went further, saying that they were amazed at pure speculation dressed up as hard fact. Ministerial sources said that agreed changes to the local government structure did not go nearly as far as the latest leaks had suggested.

Yet, for all the protests, nothing was specifically denied. Government sources did, however, caution that only "general principles" would be unveiled on Thursday by Michael Heseltine if the cabinet endorses the outcome of the review committee chaired by Mr Major.

Labour merrily exploited the government's discomfiture. Roy Hattersley, Labour's deputy leader, accused Mr Heseltine, who was out of the country on Monday, of being desperate to steal a march on the prime minister and deliberately leaking his own proposals. Bryan Gould, Labour's environment spokesman, said: "Everyone at Westminster knows the source of the leaks was Michael Heseltine." Mr Gould was boosting Labour's campaign to label Mr Major indecisive by claiming that the environment secretary was trying to bounce a hesitant prime minister.

Leaks about the review began to gather pace in the latter half of last month. They have come as ministers and departments and their backbench allies have sought to promote or ditch various options.

Mr Heseltine, an enthusiast for restructured local authorities and elected mayors, has been anxious to promote the property tax. Right-wingers have been anxious to persuade him to accept a "head tax" element to keep alive the Thatcherite principle that everybody should pay something towards local government.

The Treasury, ever concerned with ease of collection, always hated the poll tax. It prefers capital value rating and has been reluctant to accept the remaining "head tax" elements. Economic ministers have had to be brought round to agreement to pick up a larger share of the local government bill.

Mr Major's allies, anxious to counter accusations of dithering, have been keen to show that he has been making his own input.

Suggestions that the government planned to switch education funding to the centre and do away with county councils and move to a system of unitary authorities appeared on February 21. Yesterday's papers merely repeated them with greater prominence and less qualification.

To make some sense of the progress of the review, you have to go back to February 19, when *The Times* disclosed that Mr Heseltine was pressing for a property tax adjusted for the number of people in a house. The property element would be calculated on the size of a property, and houses and flats would be grouped into five bands to determine payments. The so-called "hybrid tax" plan was dubbed the "bed and breakfast" tax by Labour, and appeared to survive in its original form for only a couple of weeks. It was also disclosed that Mr Heseltine and Kenneth Clarke, the education secretary, were pressing the Treasury to agree central funding of education.

By February 28, aspects of the Heseltine plan in difficulty, with Mr Major reportedly siding with Treasury opposition to funding education. The talk was of deadlock, but by March 6, it seemed that the "people" element in the Heseltine plan was gaining acceptance. The Tory defeat in the Ribble Valley by-election next day effectively condemned the poll tax.

With Mr Major and the Treasury accepting that the taxpayer would have to find an extra £5 billion for local services if bills were to be cut, a revised version of the hybrid tax became the front-runner. Charges were now to be loosely based on capital values, while retaining a system of banding properties, and the "head tax" element was downgraded. Instead of levying a "personal premium" of £50 to £100 on everyone, ministers planned to base bills on the assumption that every household contained three people. Discounts for those with fewer would preserve the principle of the community charge.

Changes for local councils could take up to five years

By DOUGLAS BROOM, LOCAL GOVERNMENT CORRESPONDENT

THE fundamental change in the structure of English and Welsh local government proposed by Michael Heseltine, the environment secretary, may take up to five years to implement, it was disclosed yesterday.

If his proposal for local referendums to determine the kind of new authorities for each area is approved by the Cabinet tomorrow, the process could not start until after the next election.

Even when it does begin it is far from clear that the offer of switching to unitary authorities would lead to wholesale abolition of county councils as many fear it might.

After the initial flurry provoked by Monday night's leak of the proposals, civil servants and local authority leaders were yesterday attempting to work out the practicability of Mr Heseltine's plan.

Part of the problem is that the government's poll tax review has been largely carried out by ministers and their political advisers with only a modest input from senior civil servants or the local authority associations.

The poll tax review team at the environment department, led by Roger Bright, the former head of information, has been forbidden to commission any outside research on the options.

One source said yesterday: "They have been limited to carrying out desk exercises based on papers already on the shelves at the DoE. They are not very happy about it."

Mr Heseltine has meanwhile been holding regular sessions with Michael Portillo, his junior local government minister, to formulate proposals. Mr Portillo is also chairing a Tory manifesto committee on local government.

Mr Heseltine has been presenting his ideas to the ad-hoc cabinet committee set up to oversee the review at which other ministers, including Chris Patten, the party chairman and former environment secretary, have offered their own plans. The result is that until the cabinet decides tomorrow no one can know for certain what, to borrow Mr Heseltine's expression, is "ruled in or ruled out".

What is clear, however, is that structural reform of local government would take time. Local ballots, in which residents would be offered the choice of vesting all local government powers in either the district or county councils would be only a first step.

The boundary commission or the environment department would have to consider the outcome of polls to decide whether the chosen council could cope with its new responsiblities.

At present the 333 district councils argue that they should all survive as the new single tier, handling every function from education and social services to planning, highways and dustbin emptying.

Monday night's leak prompted the county councils to declare that if there was going to be only one tier it should comprise the 47 counties.

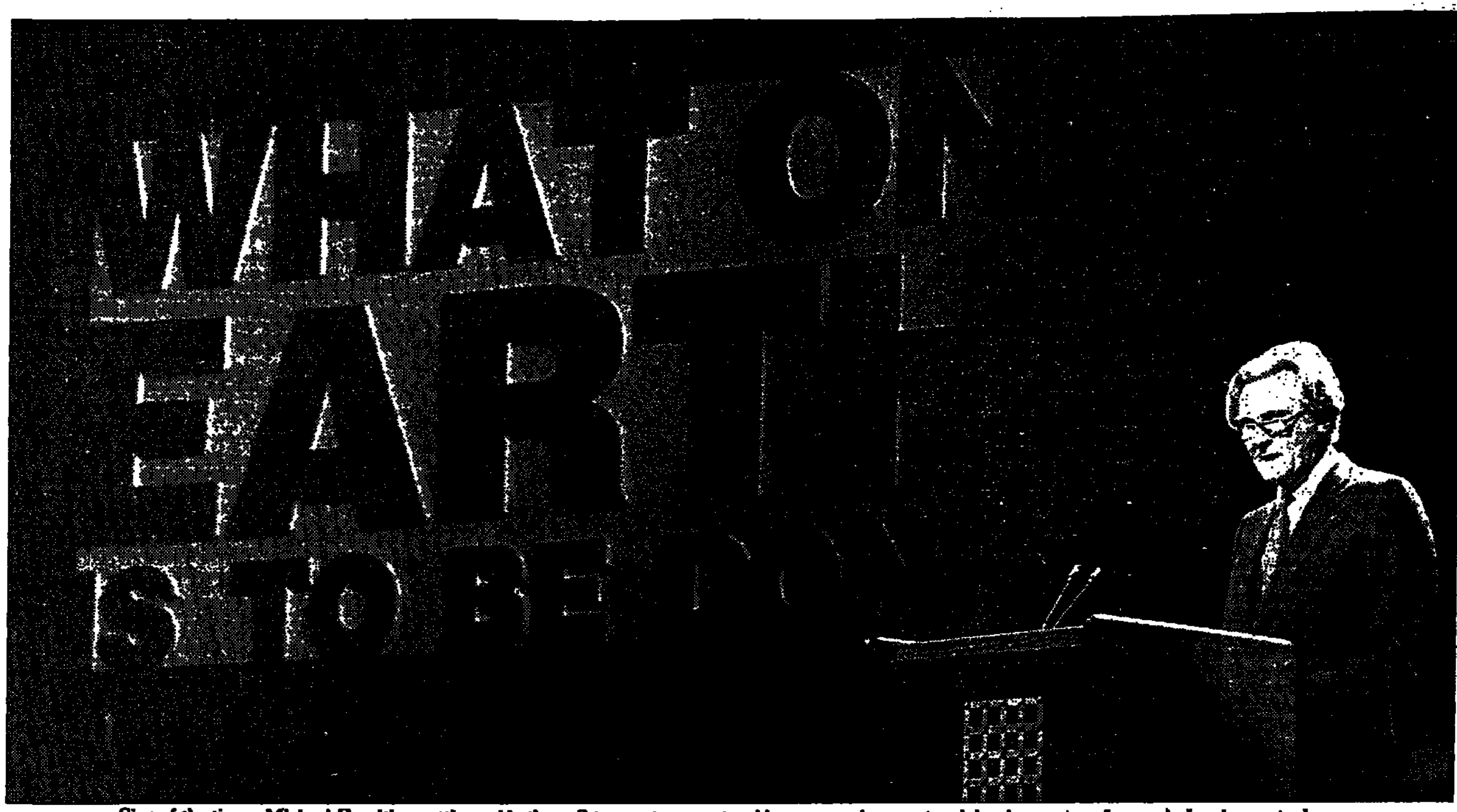
Much more likely, as leaders on both sides admit, is a mixture of the smaller counties and the larger districts. Bristol, Leicester, Hull and Norwich would no doubt want to become unitary county boroughs.

Avon, Cleveland and Humberside might vanish and county government could be invigorated by an amicable divorce between Hereford and Worcester to recreate the two traditional counties.

Historic names like Rutland, Huntingdonshire and East Yorkshire all survive as district councils, which would be keen to become the unitary authority for their areas and to restore the title of "county" to their letterheads.

On education, it seems clear that Mr Heseltine wants to switch the payment of teachers' salaries to Whitehall, a move that was welcomed yesterday by Nigel de Gruchy, general secretary of the National Association of Schoolmasters and Union of Women Teachers, the second largest teachers' union.

His union has campaigned for the past 30 years for the right to talk directly to ministers about pay.



Sign of the times: Michael Heseltine putting aside the poll tax controversy to address an environment and development conference in London yesterday

Rutland's independent spirit roused

By ALAN HAMILTON

HAS Michael Heseltine given the slighest consideration to who is going to be responsible for the one set of traffic lights in the entire former county of Rutland?

What was once England's smallest shire has not fared well over the years. First it was subsumed into Leicestershire and reduced to the status of a district council. Then it lost five of its modest 125 square miles to a reservoir. Now its 36,000 residents fear that, under proposals being leaked from under Heseltine's office door, it may finally disappear altogether. Although reduced to a mere second-tier authority under the 1974 local government reorganisation, it at least retained its identity. At the council offices in Oakham, they are preparing once again to fight total obliteration.

Rutland relishes its smallness: probably no other district in England can boast such a paucity of traffic lights, or of having only one roundabout and three cemeteries, of having a mere 1,700 council houses and an annual revenue budget that does not quite reach £2.5 million, and a complete absence of airports, motorways and art galleries. It does, however, have the Cottesmore hunt, and a stately home owned by the family trust of the discredited Polly Peck chairman, Asil Nadir.

The majority of Rutland's 20 councillors are independents — itself a rarity in England — and they have moved with some alacrity to the defence of their borders. Already they have ordered the setting-up of a working party to be set up to study the implications of yet another town hall reshuffle, and the potential threat that the introduction of single-tier unitary authorities would pose to their very existence.

Councillors fear that, if central government really gets the bit of unitary authorities between its teeth, it will look at minimum viable populations, and a figure of 36,000 is going to fall off the bottom of any civil servant's list. That other tiny former county of Huntingdon, now a district council within Cambridgeshire, might fare better with a population of 149,000 (and an impressive seven cemeteries) and might even recover its former shire status.

Although once the smallest county, Rutland is not the smallest district: councils like West Somerset and South Shropshire rule even sparser tribes, and the district of Teesdale struggles to reach a population figure of 25,000.

Keith Emslie, Rutland's chief executive, says that his council is prepared to try to and fight any attempts at abolition. "Rutland may be small, but it is a natural community which ought to have its own authority," he said, adding that there is a romantic element within the county which dreams of a return to the golden age of Rutlandshire, but a majority would prefer to retain the status quo. There is also some pessimism in the council at the ability of such a small unit to survive another reorganisation.

That will be a shame, as Rutland's most celebrated export, its beer, will not have the same ring to it if its bottles and cans bear the dull legend "Ruddles of Leicestershire Unitary Authority".

Big city mayors can have vital national role

By OUR FOREIGN STAFF

THE mayors of Europe's big cities are usually important national figures and often achieve a standing that leads them to national politics. Willy Brandt the former chancellor of West Germany was one of West Berlin's most famous mayors, Jacques Chirac the former prime minister of France is mayor of Paris, and Narcis Serra, a former mayor of Barcelona, has just been appointed deputy prime minister of Spain.

In the United States, the big city mayors are often better known than most senators. Ed Koch of New York, Richard Daley of Chicago and Marion Barry of Washington each achieved fame, and an equal measure of notoriety, from the powerful office of administering a big city.

In Europe and America, mayors are elected for fixed terms on a party basis. In Germany, the tradition of *burgomeister* – or *oberburgomeister* – goes back centuries, and many mayors, who hold office for four years, are elected again and again. Local elections are based on a party list system and whoever heads the list of the winning party becomes mayor.

German mayors are full-time chief executives and local morale-boosters for their cities. Not only do they preside over council meetings but they play key roles in projecting their cities throughout Germany and overseas. Hans Daniels, the long-standing mayor of Bonn, for instance, is now in the forefront of the campaign to retain Bonn as the federal German capital.

Municipal elections in France are governed by a hotch-potch of laws going back to the immediate post-revolutionary era and amended over the years to reflect the growing importance of the office. M le Maire is elected at the first sitting of the newly elected municipal council of his commune, nomally comprising those who came in at the head of their respective party lists. In Paris, Lyons and Marseilles mayors of individual communes are chosen by elected municipal councillors. The most powerful political grouping then selects the mayor of their city. Jacques Chirac has ruled Paris since 1977.

Italian mayors are paid officials indirectly elected for a five-year term, which in practice is often shortened by early elections. A reform to elect them directly is under discussion but has not yet been passed. In Spain, mayors are usually elected for three years but in some automonous provinces they hold office for longer.

In most countries the mayor has many ceremonial and representative duties, and deputy mayors help to lighten the work load.

Rainforest clearance reduced sharply

By MICHAEL McCARTHY, ENVIRONMENT CORRESPONDENT

THE destruction of the Amazonian rainforest has slowed down sharply in the last two years, Brazil's science minister, Professor Jose Goldemberg, told a London conference on environment and development yesterday. He announced figures showing that between 1989 and 1990 the rate of forest clearance had dropped by nearly 27 per cent.

Professor Goldemberg said that the slowdown stemmed from determined efforts by the new government of President Collor. These included the removal of government subsisides for land clearance, a good monitoring system of fires and forest cutting and fines or direct police action against offenders.

Professor Goldemberg said that in 1989, 18,842 square kilometres of forest were cut down but last year this figure dropped to 13,818. At its highest rate in the mid-Eighties it was thought that an area of 21,500 sq km was being destroyed annually.

He told the conference, which was opened by Michael Heseltine, the environment secretary, that the deforestation rate was under 1 per cent a year and going down.

Holding of bombers 'unjust'

The continued detention under life sentences of three Irishmen out of a total of eight people convicted in 1973 of an IRA bombing campaign in central London is unjust and unfair, their counsel argued in the Court of Appeal yesterday.

Robert Walsh, William Armstrong and Paul Holmes are seeking a ruling, in spite of the 17-year delay, that the sentences imposed on them at Winchester crown court were wrong in principle. Their counsel, Edward Fitzgerald, requested that the necessary extension be granted to enable the case to be reopened on the question of sentence.

Hunt continues

Police yesterday continued searching for the body of Mark Tildesley, aged seven. They believe he was taken from a fairground in Wokingham, Berkshire, and murdered by paedophiles seven years ago.

Parliament today

Commons (2.30): Questions: Trade and industry. Budget debate continued.
Lords (2.30): Debates on famine in Africa and on global warming.

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Soccer club told to pay PCs £265,000 for riot injuries

By Michael Horsnell

READING Football Club was ordered to pay over £265,000 in damages yesterday to five policemen injured during a riot in the first civil action of its kind in England.

Mr Justice Drake ruled in the High Court that Reading FC was negligent in failing to carry out repairs to ensure the safety of its Elm Park ground.

The officers were injured by lumps of concrete thrown during unprecedented violence by rival supporters during a "needle match" in April 1984 between Reading and Bristol City for promotion to the second division.

The bulk of the damages, £258,618, went to former sergeant David Cunningham, aged 35, of Russell Road, Newbury, Berks, who was knocked to the ground when a piece of concrete hit him on the back of his neck and he was left fearing for his life as supporters kicked and punched him. He retired from the force in October 1984 on medical grounds.

The other four officers suffered multiple cuts and bruises. Sergeant David Hartin, 39, of Barton Road, Tilehurst, Reading, and PCs Kenneth Timberlake, of Tyrell Gardens, Windsor, Berkshire, and Robert Turley, 41, of The Garth, Yarnton, Oxford, received £1,500 each. PC Haydn Wood, 26, of Castle Street, Reading, was awarded £2,000.

Mr Justice Drake: club failed to ensure safety

The judge said the Elm Park ground was appallingly dilapidated. Four months earlier supporters had thrown lumps of concrete. The club should have foreseen it was "very very probable" that, if there were trouble, hooligans would use lumps of concrete as missiles.

Less than £3,000 worth of repair work to the terraces would have stopped hooligans tearing up concrete to throw at the police, he said. The third division club, which is considering an appeal, was also ordered to pay costs unofficially estimated at £50,000. The club, currently losing £14,000 a week, hit out angrily after the case because it claimed it was cleared by a FA commission of any blame for the violence.

The officers were among 130 on duty at the match. More than 2,500 City supporters were at the game and a riot broke out after Reading scored their first goal in a 2-0 victory; 48 people were arrested as referee Daniel Vickers took the players off the field.

A month later a five-man FA commission heard evidence for four hours before ruling that "all reasonable" precautions had been taken to avoid trouble and neither club was to blame. Commission chairman Les Mackay said: "We naturally deplore the actions of a mindless minority, but under FA rules the clubs are not guilty."

Yesterday Reading's managing director Mike Lewis, who gave evidence at the High Court, said the decision was "ridiculous". He was bitter because no damages were awarded against the police for negligence and because "the supporters who caused the trouble came from Bristol City and they have got away with this scot-free".

Reading had denied blame and argued that if anyone was liable it was the chief constable of Thames Valley as the officers' employer.

Barrister tells of attack by pilot

A BARRISTER yesterday told a jury that his wife's lover had tried to strangle him with a rope after an alleged murder plot went wrong. Mr Christoper Whybrow, aged 55, said that Dennis Saunders had told him: "If you don't stop struggling I will strangle you."

Cross-examined by Mr Rock Tansy, QC, representing Mr Saunders, Mr Whybrow said at Norwich Crown Court that Saunders had deliberately put a rope around his neck and tightened it as they struggled by the side of a large pond in the grounds of his home in Leavenheath, Suffolk.

Mrs Susan Whybrow, aged 50, and Mr Saunders, aged 55, a flying instructor, deny conspiracy to murder Mr Whybrow and an alternative charge of conspiracy to cause grievous bodily harm.

The jury was told earlier that Mrs Whybrow and Mr Saunders had intended to stage an accident involving a tractor used for mowing, making it appear that he had fallen and drowned in the pond.

They had decided to "do away" with him in 1989. Mrs Whybrow drove Mr Saunders to the farm and lured her husband into the sitting room, it was alleged. Mr Saunders had burst in, overpowered Mr Whybrow and bound and gagged him. However, he broke free after being taken to the pond.

Mr Whybrow, who specialises in planning and property deals, said yesterday: "When the rope was put round my neck I somehow found more strength. That was a turning point in the fight." He agreed that it had stopped suddenly and that Mr Saunders had apparently left him on the ground. He had swum across the pond to safety.

Mr Whybrow denied hearing Mr Saunders, of Endsleigh Court, Colchester, Essex, say: "No one is going to kill you." He also denied that at the end of the struggle Mr Saunders had said to his wife: "He has had enough. Let's go."

Mr Whybrow said that his wife was a "considerable flirt" and they had rowed frequently.

The trial continues.

Moving on: the Right Rev Tom Butler, area bishop of Willesden, London, with his wife, Barbara, after being named as the next Bishop of Leicester. Dr Butler, aged 51 and one of the country's youngest bishops, is from the church's catholic tradition and has been active in relations between Christians and people of other faiths. He said he would work closely with the 250 parishes in his new diocese for the Decade of Evangelism, which began this year. "We know what enables churches to grow. It involves attractive leadership and inspiring worship, welcoming congregations, and congregations involved in community life."

JOHN MANNING

Nazi enquiry may cost £2.7m

By Quentin Cowdry, Home Affairs Correspondent

POLICE investigations into alleged Nazi war criminals living in Britain could take three years and cost about £2.7 million.

In June, after peers had rejected the war crimes bill, Scotland Yard had to disband a squad that had been set up to conduct the enquiries. However, with ministers determined to activate the Parliament Act if peers dismiss the bill a second time, police are again preparing for the enquiry. Commander Roy Penrose, head of Scotland Yard's international and organised crime branch, said that a squad of detectives, lawyers, historians and interpreters would start interviewing suspects soon after the bill received Royal Assent. "The aim would be to hit the ground running," he said, because people involved were elderly and speed would be essential.

"What we can't and mustn't do is start the investigation proper prior to Royal Assent because that would be to act without legal basis."

Mr Penrose said the investigation would probably last two to three years and would have many similarities to a complicated fraud enquiry. He would not comment on the cost but it emerged from government sources that it would be about £900,000 a year.

Widow of baron to face race charges

THE Dowager Lady Birdwood, aged 77, is to face race charges under the 1986 Public Order Act (Michael Horsnell writes).

Jane Lady Birdwood, as she prefers to be known, has been summonsed to appear before Horseferry Road magistrates in central London next month for alleged possession of anti-semitic leaflets and intent to distribute them.

Sir Patrick Mayhew, the Attorney-general, authorised the prosecution under section three of the act, which embraces a range of offences known collectively as incitement to racial hatred. It is understood that the summons relates to four leaflets, *The Ultimate Blasphemy, Jewish Tributes to Our Child Martyrs, The Snides of March* and *Another Blood Libel or Ritual Murder?*

Lady Birdwood, the right-wing widow of the second baron, stood as an Independent Patriot at the 1983 Bermondsey by-election, attracting 69 votes.

The case is one of three unrelated prosecutions approved by the Attorney-general in the past six months and form the first batch under the Public Order Act which updated previous legislation. The two other cases are under consideration by magistrates in London.

Leaders of the Jewish community have expressed concern about growing propagation of anti-semitic literature and the incidence of assaults in Britain.

PC warned father of crash boy

A POLICE motor cyclist told a jury yesterday that he warned a father of the dangers of letting his young sons ride motor cycles in a public park.

Nine months after the warning, the man's ten-year-old son had been involved in a fatal crash in the park while riding a scramble bike, Chelmsford crown court was told. A pedal cyclist, Gary McCann, aged 11, was hit by the machine and killed.

The father, aged 32, who cannot be named for legal reasons, denies the manslaughter of Gary, of Laindon, Essex. The case has been brought on the grounds that the father was grossly negligent in supervising his son.

The policeman, PC Stephen Cleaver, said that in February 1989 he had seen two motor cycles being ridden in the park by the defendant's sons, and had told the father that this was illegal and dangerous.

PC Cleaver said: "He was argumentative and indicated he would continue to use motor cycles on the park." The trial resumes today.

Move to healthier eating 'is failing'

By Thomson Prentice, Medical Correspondent

THE government's aim of influencing people to follow a healthy diet by the end of the decade seems unattainable in spite of years of research, expert reports and education campaigns, according a report by food specialists.

"Consumers have lost faith in food, not just in specific products or individual companies ... but in all members of the food network," the paper, prepared by the National Consumer Council and other food health groups, says.

The findings were discussed yesterday at a conference organised by the British Dietetic Association and the Health Education Authority. Ann Foster, of the consumer council, said that education programmes were failing to influence people's attitudes towards eating and health. A fresh approach to food and nutrition policy was needed.

David Maclean, the food minister, said that the government was to spend more than £17 million this year on research into food safety and nutrition, an increase of almost a third over the last three years. The expenditure was to help to improve the nation's diet by the end of the century. "A good diet will improve the health of the nation and I am sure nutrition will take a far higher profile in the 1990s," he said.

The first essential step, he said, was to establish a sound scientific basis for dietary advice to consumers, which had to be clear in spite of shifts in expert opinions. The second was to tell people what they really needed to know in a way that could be readily understood. But policymakers should not be dictatorial or prescriptive. "We cannot force our views on others and must not make the easy assumption that ours is the only right view."

He added that too many young people were eating unhealthy, unbalanced meals. "I am on record as defending the humble hamburger, but living entirely on a diet of burgers, chips and cola is as unhealthy as eating only raw vegetables and muesli."

Council's Kuwait mission

By Sheila Gunn, Political Correspondent

A MISSION will set out for Kuwait from Britain at Easter to help to salvage the country's education system after the devastation of war. It will include officials from the British Council and the John Laing partnership.

Iraqi forces stripped colleges and schools of equipment, wrecked buildings and killed teachers, and the consortium has put together emergency and long-term proposals for reconstruction. The project will be self-financing with Kuwait picking up the bill.

The mission demonstrates the reshaping of the British Council after surviving both Labour's threat of dismemberment in the 1970s and severe criticisms by Margaret Thatcher in the early 1980s when the government grant was cut by 20 per cent.

The council has emerged a more bullish, cost-effective machine, boasting corporate plans and commercial sponsorship. Within a few years only half of the £400 million annual budget will come from public funds.

Sir David Orr, the council's chairman, said: "We are in very good shape and have come through difficult times with improved efficiency. Now we have an enormous challenge suddenly in the eastern bloc and also in western Europe, southern Africa and the Middle East."

The council's new projects in Eastern Europe cover a scheme with Rank Xerox to train managers to run businesses and administrations, carrying out contracts under the government's know-how fund and organising the National Theatre's recent tour with *King Lear* and *Richard III*.

Much of the council's work in arranging student exchanges, training and literacy courses goes unpublicised but it underpins the council's role in spreading Britain's influence abroad.

Edmund Marsden, the council's director of corporate affairs said: "There is an integrity about Britain, the way its institutions operate and the whole concept of consensus and fairness and, in our arts, a certain freedom of spirit but also an unconventionality, even eccentricity. We try to sustain that image."

Palestinian split, page 8

Breweries accused of squeezing out their faithful landlords


Carl Oram: gazumped in purchase of public house

David Young reports on hardships caused by the enforced sale of tied public houses

THE organisation that represents Britain's public house tenants has submitted a detailed dossier to the Department of Trade and Industry claiming that the big brewers are wrecking the lives of many long-serving publicans.

As the result of a Monopolies Commission investigation the brewers must sell large parts of their tied estates, but the National Licensed Victuallers Association complains that instead brewers are turning profitable tied public houses into managed houses.

The DTI agrees with the association that the intention of the Monopolies Commission was not to see licensees and their families made jobless and homeless. However, the association has submitted details from each of its regions of publicans who have been told that their public houses are to be turned into managed houses, have been sent new leases with much higher rents or have been told to get out or buy the freehold at rates far above local valuations.

The association says that the biggest and most profitable public houses are being seized for management and the less viable ones sold at inflated prices. Many tenants whose premises are being taken into management are those who have built up the businesses over the years, and they are being offered derisory compensation payments. Other public houses are being offered in blocks to other brewers or to property companies, and sitting tenants are often unable or unwilling to buy.

Alan Lawrence, of the Fox and Hounds at Thorpe Audlin, West Yorkshire, managed to persuade Whitbread to reverse a decision to turn his property into a managed house. The brewer then refused to renew his existing tenancy agreement and offered a new lease for 20 years, trebling his annual rent from £21,000 to £70,000 for the first three years. Mr Lawrence is now appealing to the brewers to have the rent reduced.

At Branton, near Doncaster, Terry Hamilton has spent £20,000 over the past eight years building up business at the Three Horse Shoes, but was told by Bass, his brewers, that the public house, his home, was being taken from him to become a managed house. Mr Hamilton said: "My wife and children live here and it is our business. What am I supposed to do now? I have doubled sales of Bass here, and this is how I have been rewarded." He is considering an offer to remain as manger instead of landlord.

In Sevenoaks, Carl and Mary Oram were told that their public house, The New Inn, was being sold by Bass. They offered £150,000 and then upped their offer to £190,000, which was accepted and a loan arranged by Bass. However, after spending £2,000 fees and after planning improvements, the Orams were told that their premises were being sold as part of a group. The victuallers association has accused Bass of gazumping and asked that negotiations be resumed with Mr and Mrs Oram. Alan Bartlett, president of the association, said: "The brewers have overreacted and, in their greed to grab back all the best pubs into their control, they are wrecking the lives and careers of publicans and their families who may have given a lifetime to the trade."

Bass, which is shedding 2,680 premises and moving 580 from tenancy to management, said that it was trying to deal as sympathetically as possible with a situation forced on it by the DTI. A spokesman said: "We have inherited a situation which we did not ask for and are trying to resolve as fairly as we can."

500 extra troops sent to Ulster in border review

By EDWARD GORMAN, IRISH AFFAIRS CORRESPONDENT

FIVE hundred extra troops have been sent to Northern Ireland as temporary cover while two checkpoints are dismantled in a big review of border security.

The deployment, consisting of men from the first battalion the Cheshire regiment, is part of a change in tactics by the army in County Fermanagh where permanent border checkpoints (PVCPs) manned by soldiers have been attacked regularly by the IRA.

Peter Brooke, the secretary of state for Northern Ireland, said in a statement that checkpoints at Derryard, near Rosslea, and Boa Island, were being removed Mr Brooke said he had decided to close the checkpoints after the "most careful consideration" on how best to make use of the resources available to him to counter terrorist activity.

"I have concluded that the security value of the soldiers currently stationed at the Boa Island and Derryard PVCPs will be increased when they are actively deployed in wider patrolling duties in those areas," he said. Mr Brooke added that a number of border roads would be closed to further tighten security. The decision could spark protests from local residents inconvenienced by night-time closures.

The decision to opt for a mobile security presence in the border areas of Fermanagh follows a concerted campaign by the IRA against checkpoints. In December 1989 Derryard was attacked by up to 12 Provisionals equipped with a car bomb, heavy machine guns and RPG-7 rockets. Two soldiers were killed but military sources admitted losses could have been much higher if the car bomb had detonated properly.

In October last year six soldiers and a civilian were killed in two so-called "human bomb" attacks at checkpoints outside Enniskillen and Newry which prompted a security review of which yesterday's announcement is the latest product. Some checkpoints have already been equipped with improved surveillance equipment, heavier weaponry including browning type heavy machine guns and electrical barriers which close roads at night.

Army sources said sixteen other PVCPs on the border would remain in place for the time being although security was constantly under review and each would be looked at separately. However it is known that Lieut General Sir John Wilsey, the general officer commanding in Northern Ireland who consulted with Mr Brooke on the decision, has reservations about the value of checkpoints and believes they may serve simply as ready-made targets for the IRA and particularly for human bombs.

Seamus Mallon, the Social Democratic Labour Party security spokesman, who has argued for some time that the checkpoints represent an unnecessary risk to those in them, welcomed the closures and called for a similar approach to others along the border. Some residents in County Fermanagh also welcomed the new approach.

Mrs Thatcher visited Derryard a week before her resignation as Prime Minister and was told then that the checkpoint was of little strategic importance.

Car firms are urged to reduce prices

By KEVIN EASON
MOTORING CORRESPONDENT

CAR makers were urged yesterday to cut prices to bring them into line with those of other European countries. Max McHardy, chairman of the British Vehicle Rental and Leasing Association, said that British buyers were being forced to pay "over the top" for new cars.

Members of the association, which represents the biggest car, van and truck fleet operators, buy more than 500,000 new vehicles every year. Mr McHardy criticised the "scant regard" of manufacturers for the knock-on effect of prices on depressed second-hand car values.

He said: "There is much evidence that a great number of new cars sold here are priced substantially above similar models in the rest of Europe." At a time of slack demand the way forward was to cut or stabilise new-car prices to reverse their above-inflation rate of increase.

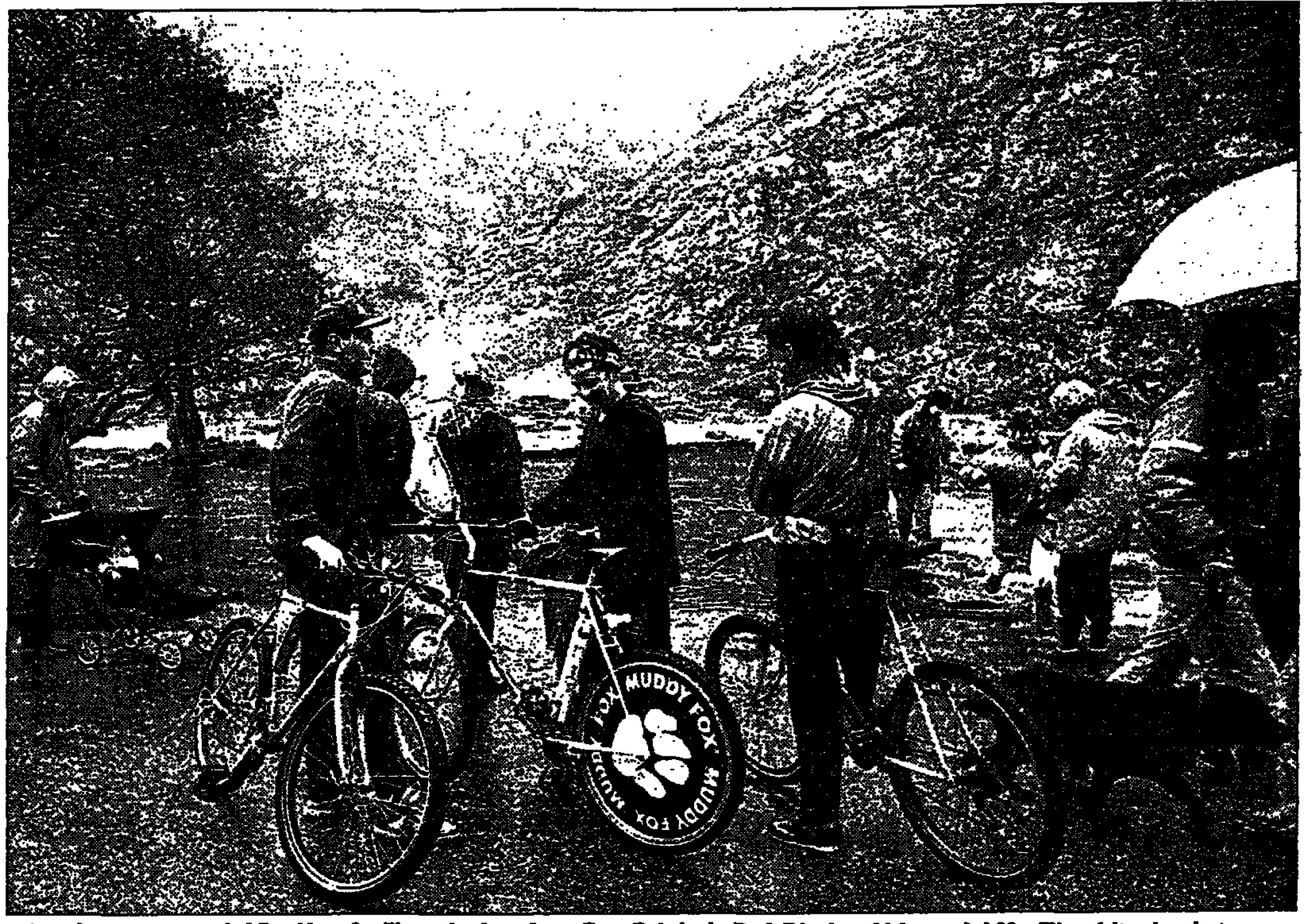
The practice of marking up prices to allow greater room for discounts for company fleet buyers had upset the balance of the entire market. Private buyers had to support those discount deals by paying higher prices, while discounts had a severely damaging effect on second-hand prices.

The association met yesterday to choose the winner of its annual anti-theft award, given to the manufacturer that has done most to enhance vehicle security. The result will be announced on April 15, the start of National Crime Prevention Week.

National parks overwhelmed by their success

John Young and Peter Davenport look at pressures that could mean visitors being steered to less popular areas

CLAIRE MACKINTOSH



Assault course: mountain bike riders, families and a dog take on Dove Dale in the Peak District, which recorded 22 million visitor-days last year

FORTY years after the creation of the first national parks, one of the biggest headaches is that they are too popular.

While that can be seen as a tribute to the success of the parks — brought into being by the National Parks and Access to the Countryside Act, 1949 — it is becoming increasingly difficult in some areas to reconcile the two principal objectives: meeting the recreational demands of millions of visitors while preserving the wild and beautiful countryside that they come to see.

Last week the Yorkshire Dales national park committee refused to accept a plan by the local tourist board to boost tourism in North Yorkshire. Committee members attacked proposals for new roads, visitor accommodation and wet weather attractions, and described tourism as the greatest threat to the park.

One man who is acutely aware of the paradox is Sir Derek Barber, who retires this month after ten years as chairman of the Countryside Commission, the government body with overall responsibility for the parks.

"Last year the Peak District park recorded 22 million visitor-days," he says. "In order to maintain the quality of the landscape, we have to guide people into the areas where we want them to go. In the Peak District the park authority has been able to close some roads, but there is no doubt that more powers are needed in future."

Sir Derek wants a national strategy to take the pressure off the most heavily visited parks — the Lake District, the Peak District and Snowdonia — and to publicise the attractions of such "underused" parks as Northumberland and the Pembrokeshire coast.

The delegation of greater powers to the park planning authorities is also a tricky issue. Sir Derek says there is an obvious dilemma in trying to reconcile the preservation of the landscape that visitors want to see with the maintenance of a rural economy.

Last month 10,000 people living within the Brecon Beacons national park signed a petition complaining of excessively restrictive planning policies. Among those who feel most aggrieved are farmers and, as a farmer himself, Sir Derek acknowledges their role as landscape "managers".

In the North York Moors park an experimental scheme that pays farmers to undertake conservation work on their land and buildings has proved so successful that it is to be expanded to other areas. It allows national parks to achieve their statutory objectives through the efforts of resident farmers.

But although farmers may be won over by financial incentives, Sir Derek acknowledges that objections to the creation of new national parks will be difficult to counter.

A compromise was reached in the case of the Norfolk Broads, which enjoy special protection without official park designation. Other obvious candidates are the South Downs and the New Forest, but either would be controversial, not least because of the extra visitors they would attract.

Samaritan 'in sex assault'

A Samaritan sexually abused a woman caller after she rang the organisation for help, Stafford crown court was told yesterday.

The divorcee, aged 35, was undressed and sexually assaulted after the Samaritan, Gary Adams, went to "give her a hug" after she rang for help, the court was told.

Mr Adams, aged 36, of Clayton, Newcastle-under-Lyme, denies a serious sexual offence. He is alleged to have visited the woman's terraced home in October 1989 after she rang him while he was on duty at a Samaritan office in Stoke-on-Trent.

The trial continues today.

Death damages

The High Court awarded £200,000 damages to the widow and son of John Martin, a drain cleaner aged 23, who was killed by poisonous gases in a blocked drain in Neasden, northwest London. His former employers, Draincare of Greenford, west London, also agreed to pay £31,000 to a colleague who collapsed but survived.

Air force victims

The three men killed when a Canberra jet crashed on Monday near RAF Wyton, Cambridgeshire, were named as Group Captain Reginald McKendrick, the station commander, and Flight Lieutenants Stephen Wilkinson and David Adam.

Icke resigns

The former TV sports presenter David Icke has resigned as spokesman for the Green party and said "astonishing revelations" in his forthcoming book would explain why. *The Truth Vibrations* is to be published in May.

200 jobs go

Two textile mills at Belper and Matlock in Derbyshire, owned by English Sewing, part of the Tootal Group, are to close with the loss of more than 200 jobs.

High horse

A shire horse called King from Yealmpton, Devon, who stands 19.2 hands high (about 6ft 4in), has claimed a place in *The Guinness Book of Records* as the tallest living horse.

First flights

The first passengers to use the new £400 million terminal at Stansted airport in Essex flew out yesterday.

Court told of grinning gunman

A GUNMAN ambushed and shot dead a policeman, then bragged about it and said he had killed for love, the Central Criminal Court was told yesterday. Mark Gaynor allegedly told police that he had "blown away" PC Laurence Brown due to being rejected by a girl friend.

"I loved her, and, to prove that, I murdered a copper," Mr Gaynor told PC Gerry Campbell, the officer said in evidence. The constable had seen the "grinning" gunman at a police station after his arrest.

Chief Supt Niall Mulivihill said of Mr Gaynor: "He was basking in the attention he was receiving. He was quite clearly excited and was continually talking in what I deemed to be an arrogant manner. He said: 'Yeah, I shot the copper. I blew him away'."

Mr Gaynor, aged 21, is alleged to have lured police in Hackney, east London, with a false 999 call and to have killed PC Brown with a sawn-off shotgun. Mr Gaynor, of no fixed address, denies murder. The trial resumes today.

Appeal to save RAF giant of skies

By PETER DAVENPORT

AN APPEAL to raise almost £500,000 to save the last Blackburn Beverley aircraft, once the largest RAF freighter, was launched yesterday. A pound donated to the Museum of Army Transport will sponsor a rivet in the airframe and help to provide a purpose-built hangar to house the restored aircraft.

After a nine-year programme the Blackburn Beverley XB259 has become an outdoor exhibit at the museum at Beverley on Humberside, the sole survivor of the 47 built locally and which operated in four RAF squadrons from 1956 to 1967.

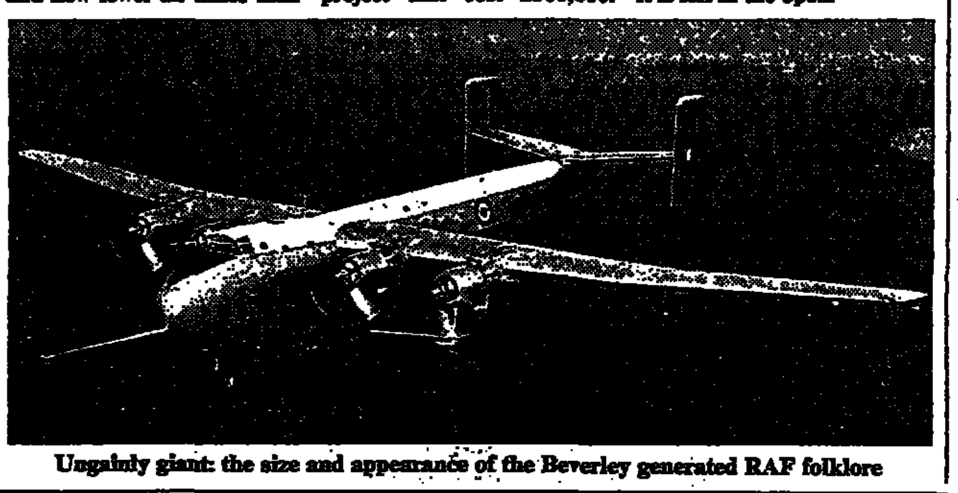
They took part in military operations in the Middle and Far East, airlifting troops and heavy equipment, and in famine relief operations. Among the aircraft's more unusual missions were parachuting cats in Sarawak to combat a plague of rats and rescuing Arabian oryx from the threat of poachers.

The Beverley was the largest aircraft to go into production in Britain and pioneered short take-off and landing heavy-lift aviation. It weighs 70 tons, has a 163ft wingspan, and is 100ft long. It was designed to carry 20-ton loads. The plane was built by the Blackburn Aircraft Company, later part of British Aerospace, at Brough, near Beverley. Its size, lumbering characteristics and unappealing lines generated a wealth of military folklore.

Aircraft XB259 had been stationed throughout its service life at the Royal Aeronautical Establishment at Farnbrough as a "test bed" and flew fewer air miles than the other Beverleys. After their discharge from service most were scrapped but XB259 was sold as a flying club building and made its last flight into the Hull Flying Club in 1974.

In 1983, after being sold privately, it was offered to the museum on long-term loan, taken apart, taken to its new site and re-assembled. The work was done by enthusiasts, local companies and the Community Programme in a project that cost £300,000. The aircraft has now been donated to the museum.

The museum, a venture between the local council and the Institution of the Royal Corps of Transport, said that although the Beverley will never fly again it is essential to house it in a purpose-built hangar. Colonel Edward Fenn, museum founder and project manager for the appeal, said: "We have been told on expert advice that the aircraft would only last five to seven years if it is left in the open."


Ungainly giant: the size and appearance of the Beverley generated RAF folklore

Ballet and opera plans for New York collapse

By ANDREW GREEN

THE ambitious plans of the Entertainment Corporation, the British promotion group that made its name by putting the Bolshoi and Kirov companies on tour in the West, are in question this week after the apparent collapse of its attempt to take the Bolshoi Opera and the Royal Ballet to the Metropolitan Opera House, New York, this summer.

Acute financial problems are forcing the group's American arm, Entertainment Corporation USA (Ecusa), to reconsider its commitment, the first fruit of an agreement signed last year for Ecusa to rent the Met in the summers.

The Met may decide to protect its image by promoting the Bolshoi season from its own resources. The Royal Ballet is also talking directly to the Met about salvaging its visit. Jeremy Isaacs, the Royal Opera House's general director, visited New York for talks last week.

Peter Brightman, co-chairman of Entertainment Corporation, confirmed that Ecusa's financial position was under review. However, liquidation "would only be necessary to satisfy the demands of major new investors for a fresh start", he said.

Entertainment Corporation's bold entrepreneurial spirit has never been in question. It has brought huge opera, ballet and circus troupes to the West and has a much-vaunted plan to build a 3,400-seat dance theatre in London. Its recent misfortunes may stem from three problems: the increasing indifference of Western audiences to tours by Soviet ensembles, even those with famous names; hostile critical receptions; and the fact that many ensembles have lost leading performers to the West.

Last year a US tour by the Georgian State Dance Company had to be curtailed after a disastrous box-office response. Mr Brightman blames the failure on "the Iraqi thing". At the same time he claims success for an 11-city US tour by the Bolshoi Ballet last year which he says took about $12 million (£6.5 million).

In Britain, the proposed tour last summer by the Red Army Ensemble collapsed before it started. Creditors await the decision of insurers on what can be distributed. Mr Brightman says that the tour was wrecked by a rival Red Army tour, saying that he had Soviet assurances that only one group under the Red Army name would tour Britain during the period. He described the tour as "a hell of a mess" and added: "No company could cope with a blow of that kind."

Much depends on the six-year exclusive sponsorship, commercial, and public relations deals struck in 1989 by the Entertainment Corporation with the Bolshoi and Kirov ballets. Those, too, have been marred by Soviet claims of "unpaid fees" from Western engagements, although Mr Brightman insists that the disagreement has been settled.

هكذا عن الاصل

East Germans rise again to challenge the new bogeymen

From ANNE MCELVOY IN LEIPZIG

THERE is a curious sense of *déja vu* in east Germany. Demonstrators are again on the march on the streets of the big cities. Christian Führer, the Leipzig vicar whose prayers for peace at the Nikolai church gave the starting signal for the 1989 uprising, is back on a podium, again warning of the "dangers to peace in the land". Even the faces in the crowd bear the same distrustful and discontented expressions they did then.

On Monday night, a year after the first free elections in the east, 70,000 took to the streets of Leipzig to protest at mounting unemployment, the low selling price of east German companies and the less tangible, but dominant, feeling that, once again, east Germans are no longer masters of their fate. Protests also took place in Chemnitz and Cottbus. The targets are different — a placard of 1989 showing Erich Honecker, the deposed leader, in prison uniform has been replaced with a photograph of Helmut Kohl, the chancellor, in the same attire.

The Treuhand — the federal agency responsible for privatising and often closing the east's companies — has assumed the "bogey man" status once held by the Stasi secret police. Many see a depressing link between their past and present malaise: the alliance of former party officials who have clung to their power in the factories, and Western investors who are striking lucrative deals with them, often including mass redundancies in exchange.

Once again, the marchers file past the old secret police headquarters, which has a new lease of a life as the labour exchange. "We were all registered in there then, and most of us are registered in there now," said Jürgen Kolber, one of the unemployed protesters. The demonstration, growing in strength weekly, even has the same organiser: New Forum, the original opposition movement which fell into obscurity with the rise of the West German parties. These days, it is aided by the IG Metall trade union.

Jochen Kletzin, a union spokesman, estimates that only 15,000 of the 70,000 metal workers in the Leipzig area still have full-time work, with the majority working less than half their usual hours. For Herr Führer, the rise in frustration is a disturbing portent of what may happen when redundancy notice ends across the country in June. "The situation is worsening very quickly," he said. "Aggression is rising with the increase in social tension and a feeling of helplessness."

Underlying much of the discontent is the impression that, unification notwithstanding, western Germany cares little for the plight of the east. The days when Bonn politicians spoke emotionally of "our brothers and sisters" are gone, as are the celebrations at being united. "As long as the west's mentality consists of drawing the maximum profit from the east with only the minimum of input, we will not make progress towards true unity," Herr Führer said. East Germans, he said, were lapsing back into their "niche society". He added: "Everyone is trying to get the best deals for themselves and their families, but there is very little regard for their fellow man."

Albanian refugees may go to Kuwait

From ANDREW MCEWEN IN MILAN

IN AN attempt to solve two problems at once, Italy is considering sending thousands of Albanian refugees to Kuwait to help in rebuilding the country.

The proposal follows opinion polls showing a reluctance among Italians to repatriate the Albanians against their will. Sending them to Kuwait would avoid aggravating unemployment in the south, where most of the 20,000 refugees are being held in camps after their dispersal from the port of Brindisi.

The Italian foreign ministry is reported to have held preliminary talks with the International Office of Migration (IOM), a United Nations organisation. The organisation's office in Rome said no decision had been taken but confirmed that the idea was in "a phase of study".

Espresso magazine said that Claudio Martelli, the deputy prime minister, and Gianni De Michelis, the foreign minister, were working on the idea. It would involve 5,000 Albanians initially, but depended on the outcome of enquiries which the IOM was making in the Albanian camps. An Italian foreign ministry spokeswoman said the ministry had seen the report but was unable to confirm it.

The IOM is unlikely to back the idea unless it gets support from the Albanians, few of whom speak Arabic or English, and the Kuwaiti government, which might prefer Arab or English-speaking workers. The plan could also face objections on the grounds of cost, as Rome is unlikely to want to pay for the Albanians to travel to the Gulf. It has said it regards them as an international problem which should be shared.

● VIENNA: In an effort to alleviate shortages of basic foodstuffs, the Albanian government has put police in charge of food distribution, the official Albanian media reported. *(AP)*

Serbia calling: Vuk Draskovic, the Serbian opposition leader, announcing the postponement of an anti-government demonstration to March 27

Army tries to ease fears

From REUTER IN BELGRADE

THE Yugoslav army says it will stop the country sliding into civil war, but has vowed not to interfere in political talks aimed at saving the federation.

"The Yugoslav army will under no circumstances allow armed inter-ethnic conflicts and civil war in Yugoslavia," the armed forces' supreme command said in a statement after months of rising tension, and street protests last week in Belgrade.

Significantly, it added: "The Yugoslav People's Army, as in the past, will not interfere in political talks on the country's future." The army issued its statement to calm fears that it would impose emergency measures to restore order after the state presidency was deprived of decision-making powers by Serbia on Monday. However, the statement appeared to leave the door open to military action if tensions among the six republics and two provinces continued to increase.

Serbia and Croatia, the two biggest republics and historic rivals, have already mobilised police and militia reserves. Many Yugoslavs and diplomats fear the army could try to act on its own to keep order after the presidency rejected its proposals last week to impose emergency measures to end mounting disorder in Serbia.

Ukraine leader claims triumph

From ROBERT SEELY IN KIEV

THE referendum results in the Ukraine give the communist government a mandate to negotiate a new union treaty with President Gorbachev, Leonid Kravchuk, the republic's president, said yesterday.

Addressing the Ukraine's supreme soviet, Mr Kravchuk said the referendum had been a triumph for the union and for Ukrainian sovereignty.

Out of all the victory claims in the republic, Mr Kravchuk's is the most believable. The referendum result achieved exactly what he asked the Ukrainian people for. He can now claim to represent the views of the people. Mr Kravchuk also has increased leverage with the central Soviet authorities in Moscow because he can point to the results of the Ukraine's own plebiscite which, although ambiguously phrased, called for partial independence.

President Kravchuk told the Supreme Soviet in Kiev: "*The next step is* a real and practical fight for a sovereign state. The people and the Supreme Soviet must work together in the same gear. Our people have decided they want to be in a union but they have also decided the kind of union they want to be in. Now we have a huge task for us in this Soviet (parliament) because we must work out the details of the new union."

Officially, Rukh, the republic's independence umbrella group, is pleased by Mr Kravchuk's statement. "We support his claim to want real sovereignty for the Ukraine and for strong economic links with our neighbours," a spokesman said.

However, by aligning themselves with President Kravchuk, Rukh faces the possibility of seeing the independence movement diverted to serve, not only the interests of the nationalist cause, but also the interests of the Ukraine's unelected communist president now wrapping himself in the cloak of a democrat.

Walesa seeks debt relief

Warsaw — President Walesa yesterday took to Washington Poland's crusade for a big reduction of the foreign debts that are crippling its attempts to overhaul the economy (Roger Boyes writes).

Poland is already on the brink of a write-off agreement with the Paris Club, which represents the 17 Western creditor nations. Polish officials, after talks in Paris last week, said Western governments were ready to slice at least 50 per cent from the $33 billion (£18 billion) owed to national treasuries. A further $11 billion is owed to Western commercial banks. They are expected to take their lead from government creditors.

President Walesa's advisors believe President Bush is prepared to write off all of Poland's $3.5 billion debt to the United States.

Sewage order

Brussels — All towns throughout the European Community with more than 15,000 inhabitants must have proper sewage treatment facilities by the year 2000, EC environment ministers agreed. Towns with a population of 2,000 or more must meet the same standards five years later. This will cost EC governments an estimated £28 billion.

£4.5m charge

Prague — Vasil Bilak, Czechoslovakia's former chief communist ideologue, has been accused by a federal investigator of salting away 247 million Czech crowns (almost £4.5 million) in foreign currency in a Soviet bank account between *1969* and 1988. Two former finance ministers and two former heads of the state bank are being questioned.

Fugitive held

Nice — A Texan woman, on the run for allegedly hiring contract killers to murder her husband and his mistress, has been captured in Vence in France, police said. The arrest of Joy Davis Aylor, aged 42, ended a three-year flight from justice that took her from Dallas to Mexico and Europe. *(Reuter)*

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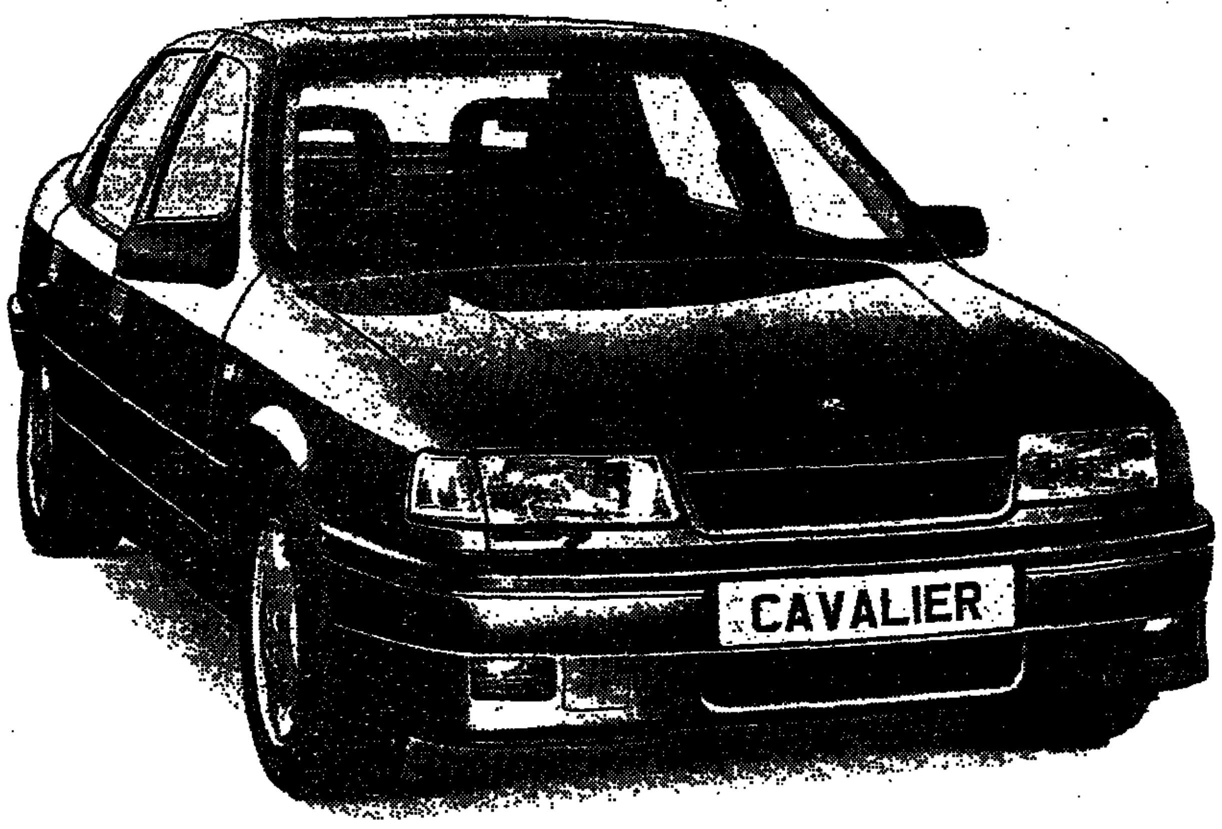

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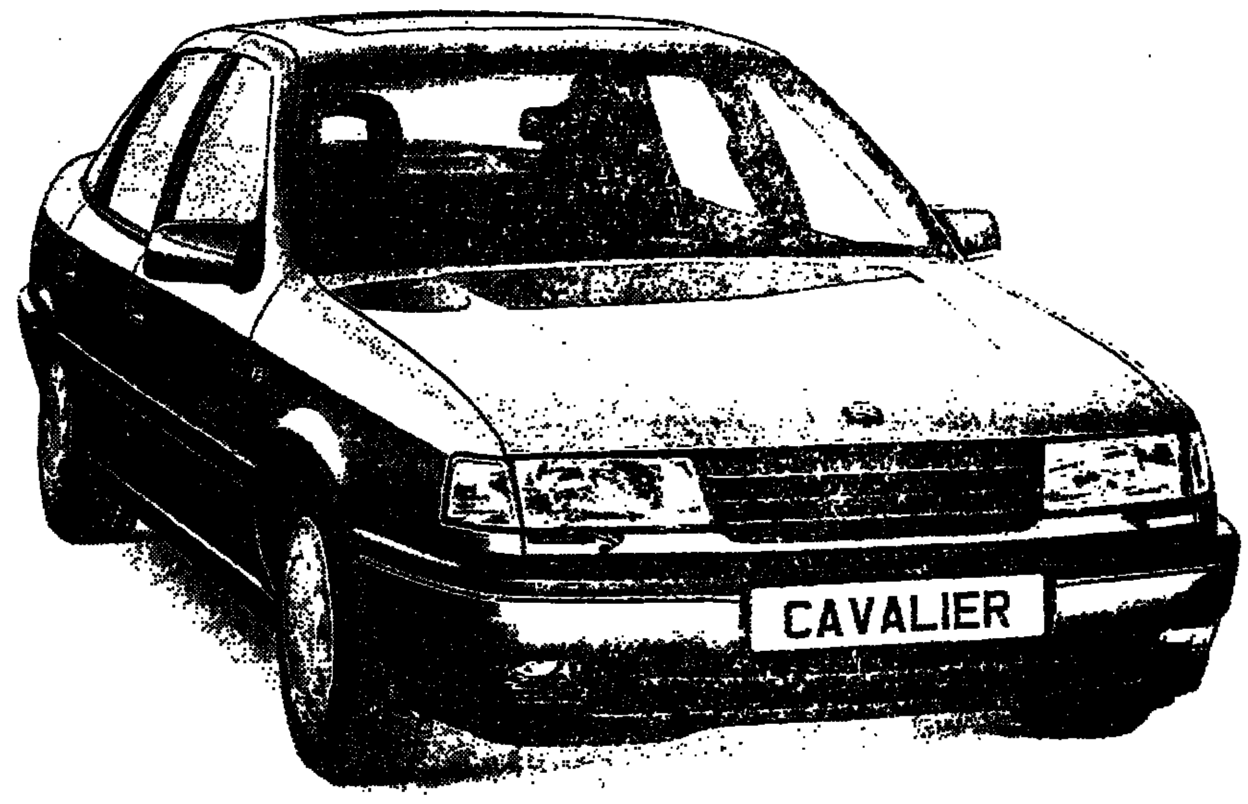

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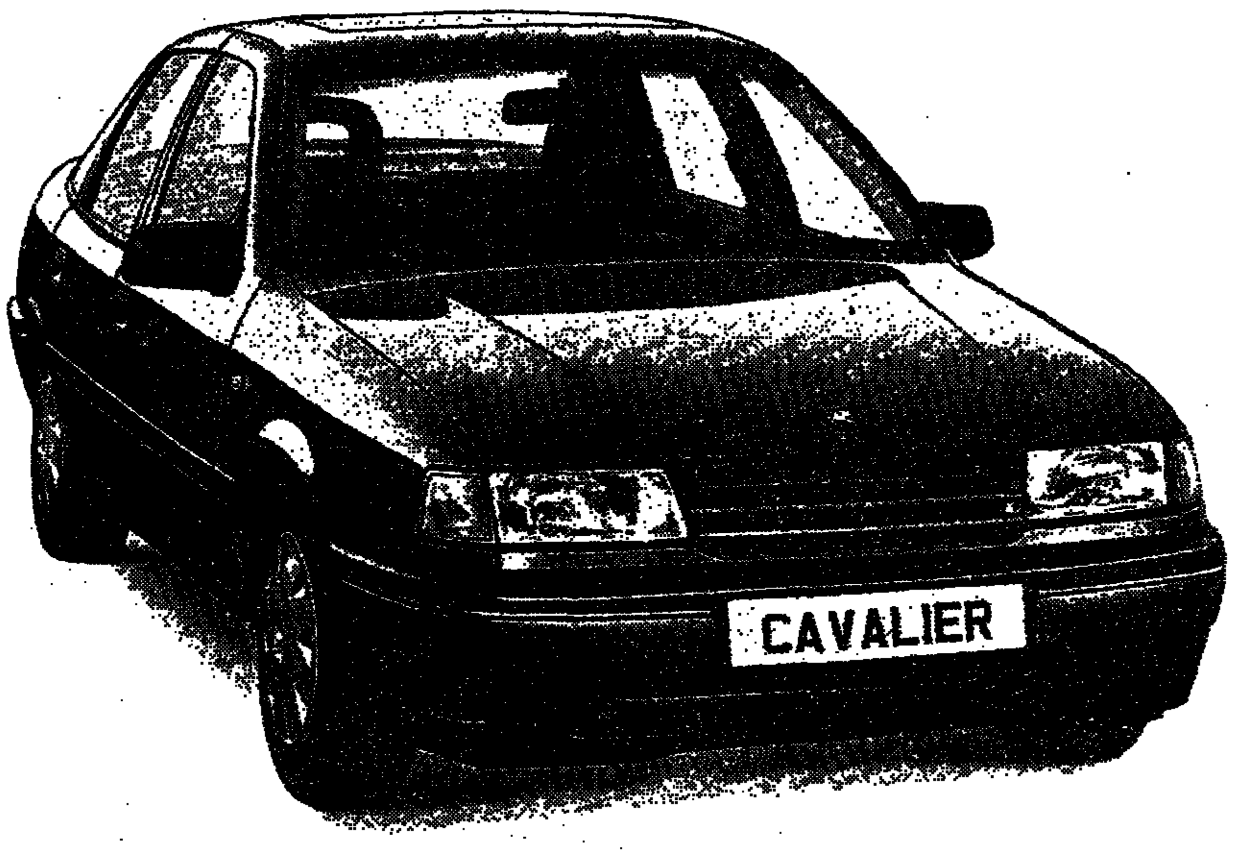

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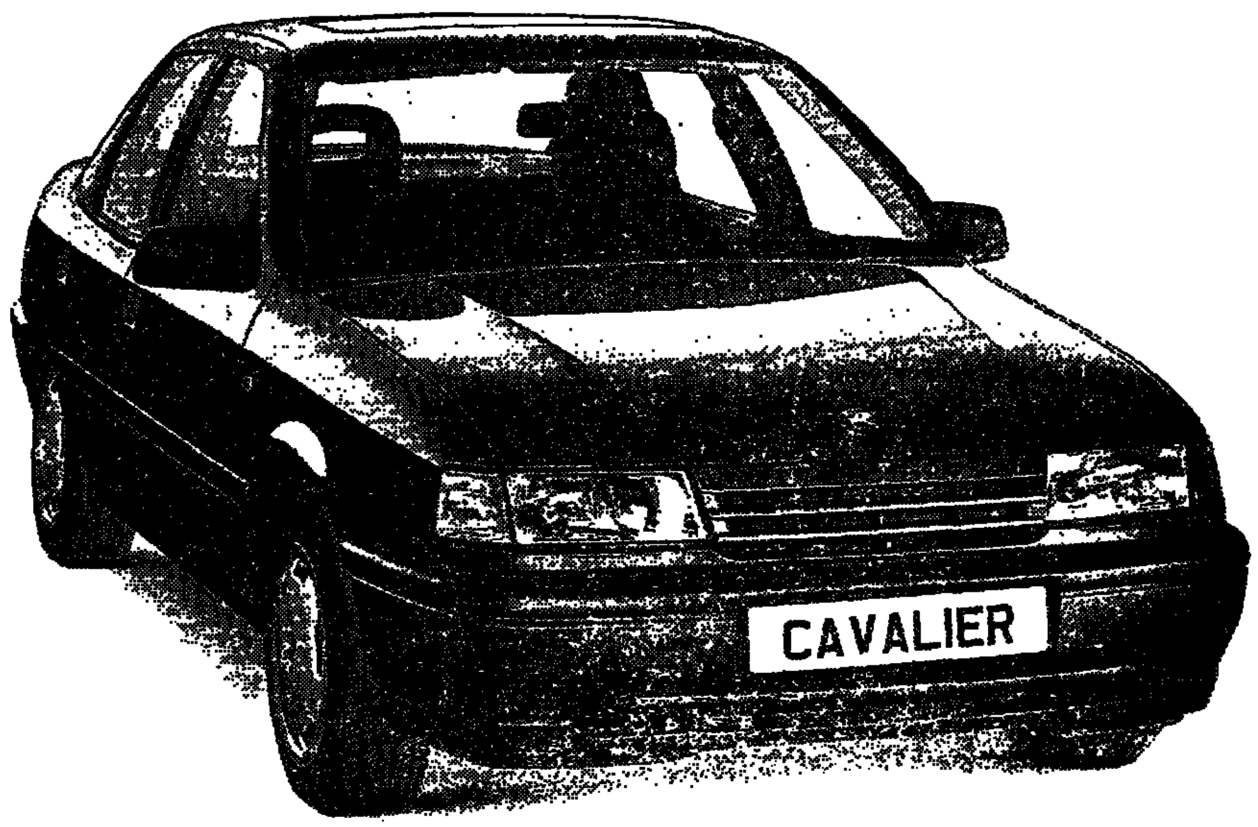

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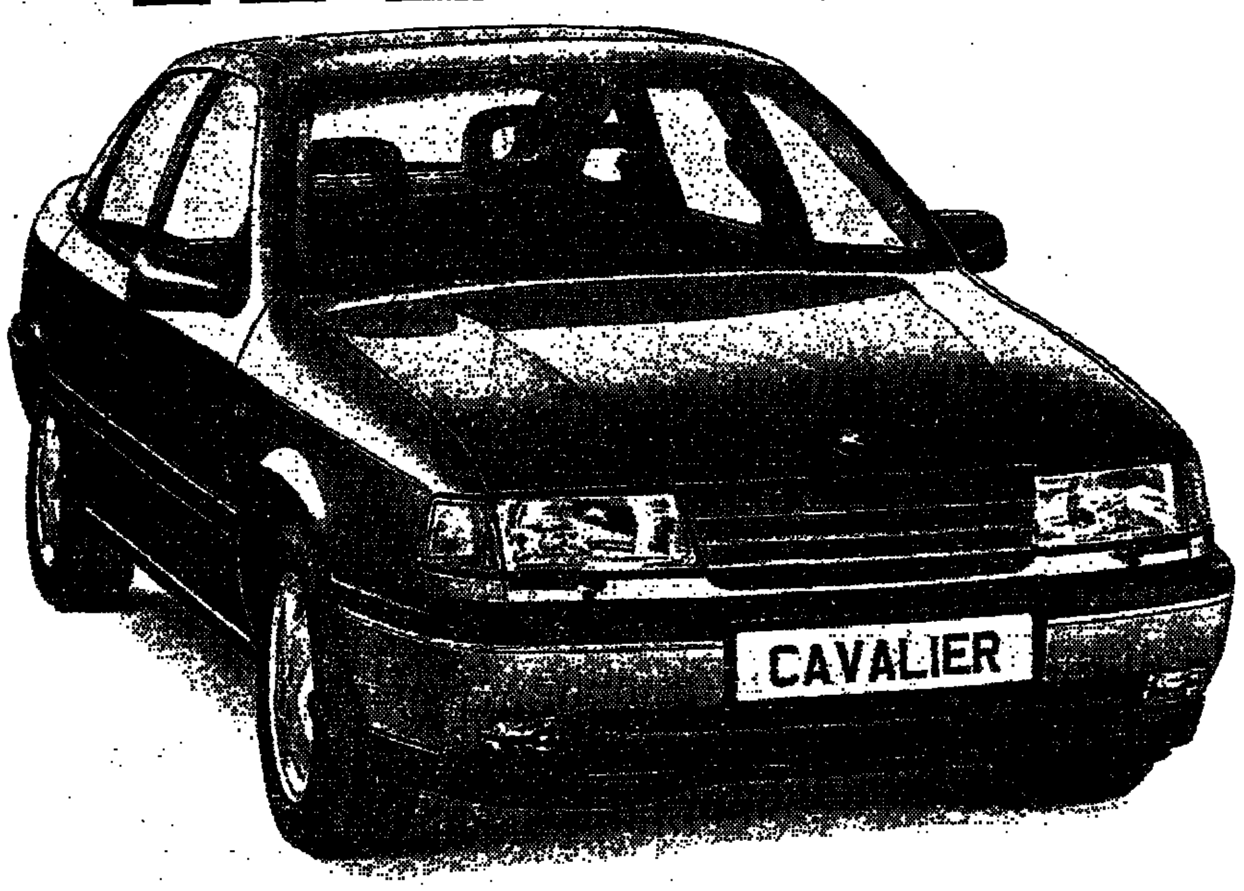

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KUWAIT

War leaves Palestinians split on Arafat leadership

From JAMIE DETTMER IN KUWAIT CITY

YASSIR Arafat, the leader of the Palestine Liberation Organisation, is still the man most Jordanian Palestinians want to see at the negotiating table. But Palestinians in Kuwait would not give the same reply.

In the Palestinian districts here, there is little good said about the man who, for two decades, has been seen in the Middle East as the legitimate heir to Ahmed Ben Bella and Gamal Abdel Nasser in the Arab nationalist tradition.

"Arafat no longer represents us," is a remark much heard in Palestinian homes in Kuwait City. "He is not the legitimate leader of the Palestinian people," said a group of working-class Palestinians in the district of Hawali. "We suffer now because of him. Arafat must go."

Mr Arafat's decision to support President Saddam Hussein may be the most fateful he has taken in a chequered career spanning more than 30 years. Since he founded the Fatah movement in 1959, he has fallen from grace many times on the international stage and in the eyes of his people. In the early days of the PLO, in the mid-1960s, George Habash came close to preventing him from consolidating his leadership.

In 1982, after the expulsion of Palestinians from Beirut, Mr Arafat was challenged from within Fatah and by Syrian-backed radicals. But he has always managed to bounce back.

The animosity now felt for him among what is probably a majority of Palestinians in Kuwait and other Gulf states, suggests that the road ahead for him will be tough. Kuwait is home to the second largest and probably wealthiest Palestinian community in the Middle East. Voluntary contributions to the PLO have been high in the past. The current disapproval of Mr Arafat in Kuwait must place his survival in doubt.


Arafat: fateful decison to back Saddam Hussein

Every time Palestinians are seized by Kuwaiti and Saudi soldiers, tortured and beaten, every time they are abused and spat at on the streets of the city, it is Mr Arafat whom they blame. "He has led us to disaster," said a working-class mother, aged 50, who like most Palestinians in Kuwait wished to remain anonymous. "I hate Arafat. Everything was fine between Palestinians and Kuwaitis until Arafat."

A group of more than 20 Palestinian men in Hawali yesterday made their feelings clear. They said: "Many are against Arafat, and were from the moment he supported Saddam Hussein. Yes, there were Palestinians who helped Iraqis, but most did not. The very bad people after the invasion were Iraqi Palestinians — they were worse than the Iraqis. We are suffering because of our leader, he took the wrong direction."

As ever with the Palestinians, nothing is clear-cut. Many admit to having had contradictory feelings during the war. As one man said: "Some people were happy because Iraq fought foreigners in Saudi and bombed Israel. But they were not happy about Iraq coming into Kuwait."

Palestinians are hesitant about estimating how many helped the Iraqis. There was widespread collaboration and there were Palestinians in the resistance.

Even those who did help Iraq express disillusionment with Mr Arafat and the PLO, which has kept its head down in Kuwait since the seizing of hundreds of Palestinians. Kuwaiti and Gulf Palestinians harbour a deep cynicism about all Palestinian leaders. Who would they want to replace Mr Arafat? They can think of no one. Occasionally, Faisal Husseini, a leading pro-PLO figure on the West Bank, is mentioned. The lack of an alternative leader may prove to be Mr Arafat's salvation.


Shades of suffering: a Kuwaiti mother holding her 11-month daughter, Amal Khamash, as she waits for a doctor to attend to the little girl, who is suffering from chronic diarrhoea caused by the heavy smog from burning oil wells

ISRAEL

General urges land deal

LIEUTENANT-General Dan Shomron, Israel's outgoing chief of staff who was responsible for dealing with the Palestinian uprising, has suggested that the best way to calm the occupied territories is a settlement swapping land for peace (A Correspondent writes from Jerusalem). His views, made to Israeli military reporters and splashed in newspapers yesterday, are at odds with those of the right-wing government of Yitzhak Shamir, who opposes ceding any territory.

But his comments highlight the growing debate over how to deal with the problem of the Palestinians in the occupied West Bank and Gaza Strip. Recent polls have shown the nation almost evenly divided on whether to give up land for peace. It also reflects the ironic situation that many of the army's top officers are more dovish than the civilian government they serve.

General Shomron cautioned that the uprising would not be put down by force alone. "The uprising cannot be quelled, just as the entire Middle East conflict hasn't been. On the question of land for peace, in wartime, this has importance ... A political settlement is worth much more than territory."

General Shomron, aged 54, is close to the Labour party which favours a land for peace settlement with the Palestinians. His four-year term as chief of staff ends on April 1, when he will be replaced by Lieutenant-General Ehud Barak, his deputy.

The general's remarks drew immediate criticism from hardliners in the government. Geula Cohen, the deputy science minister and a member of the right-wing Tehya party, called for the defence minister to reprimand General Shomron. She accused him of using his military office "to advance the position of the left in Israel".

Ariel Sharon, the housing minister, accused the general of "donning the underwear of politicians before taking off his stripes".


Shomron: a settlement is worth more than territory

Napalm victims flee Iraq

Geneva — Some 30,000 Iraqis have fled into Iran in the past few weeks escaping fighting between government troops and rebels in the south, a senior United Nations official said yesterday.

Some of an estimated 7,000 recent arrivals at a camp in Khorramshahr, in Iran's Khuzestan province, had apparently suffered napalm burns, Hiroshi Nakajima, director-general of the World Health Organisation said after a five-day tour of Iranian camps. The evacuees were mostly women, children, and elderly people. *(Reuter)*

Base attacked

Sidon — Israeli planes hit a tunnel used by Palestinian guerrillas in south Lebanon, wounding 14 people including six guerrillas and five children aged betweeen five and ten, witnesses said. Two rockets hit waste ground over the tunnel, which linked a guerrilla base to a Palestinian refugee camp, they said. The interior of the underground escape route was exposed by the blasts. *(Reuter)*

Aid convoy

Amman — The International Committee of the Red Cross yesterday sent a 25-lorry convoy of food, water and medicine to Iraq. The shipment included 19 tonnes of plastic bags to be filled with purified water from Red Cross water treatment plants already sent to Baghdad for hospitals and civilians. *(Reuter)*

Smoke dangers

Kuwait — Thick, black clouds hanging over Kuwait from hundreds of oil wells set on fire by the fleeing Iraqi army, are causing heart and lung disease and poisoning food and water. "It's like chain-smoking cigarettes all day long," said Dr Khalid al-Cahalwi of Mubarak al-Kabeer hospital. *Reuter)*

Going home

Dhahran — About 70,000 American soldiers have left the Gulf since the war ended but a total of about 468,000 remain, Lieutenant-Colonel Virginia Pribyla, of US Central Command in Riyadh, said. *(Reuter)*

BRITISH TROOPS

Shake-up worries oldest regiment

From MICHAEL EVANS IN KUWAIT

AS BRITISH soldiers wait with increasing impatience to go home, their happiness is tinged with concern at the thought of seeing their regiments being disbanded or merged under the Government's *"options for change"* defence review.

Although the decision is unlikely to be announced for at least six months, some here view the threat of regimental extinction with more foreboding than they felt about the Iraqis. Lieutenant Colonel Iain Johnstone, commander of the Royal Scots, part of the 4th Armoured Brigade, discussed the future of his regiment as we sat outside his tent in the Kuwaiti desert. Around him, his men were packing to move to another location.

He said: "If you list all the criteria that would involve a regiment disbanding, we don't meet any of them. We are the oldest regiment in the British army, if not the world. We received our royal charter 358 years ago. The Honourable Artillery Company is older but they are not regulars. We wanted to fight in the war in order to fight for the survival of our regiment. It would be criminal for us to go. We should be the most famous of all regiments, and, being here during the war, I would have thought we would escape *(being disbanded)*".

Colonel Johnstone said some of his men had begun to pity the Iraqis after seeing enemy soldiers with "horrific wounds". "I felt proud that they were compassionate, but it was my job to see they did not get too compassionate," he said. "Feeling sorry can be dangerous when you are fighting. Once the war is over, you can feel as sorry as you like. But there is no point in being hell-bent on their destruction and then feeling sorry for them half way through."

There were some comic moments, too. The colonel said they had captured an Iraqi brigadier paymaster who "had a briefcase full of money and tried to bribe one of the soldiers who captured him. He obviously thought he was going to be killed and was surprised and relieved that he was well looked after."

Mandela trial judge agrees to hear new evidence

From GAVIN BELL IN JOHANNESBURG

THE prosecution of Winnie Mandela on kidnap and assault charges widened yesterday when a supreme court judge agreed to hear evidence implicating her in violent crimes other than those for which she is on trial.

Mr Justice M. S. Stegmann ruled the force of "similar fact evidence" of previous kidnaps and assaults outweighed the prejudicial effects such testimony could have on Mrs Mandela's defence. However, he made it clear his ruling was provisional, and the new evidence would not necessarily be considered in his final judgment.

Jan Swanepoel, the prosecutor, had applied to produce witnesses whom he said would prove Mrs Mandela's participation in two incidents in September and November 1988, in which three people were abducted and taken to her Soweto home where they were assaulted. One of them, a 21-year-old man, was never seen again, he said.

Mrs Mandela, wife of Nelson Mandela, deputy president of the African National Congress, and three others are accused of kidnapping and seriously assaulting three men and Stompie Moeketsi Seipei, aged 14, in December, 1988. Jerry Richardson, the leader of her bodyguard, was sentenced to death last year for the youth's murder.

Mr Justice Stegmann ordered the state to provide Mrs Mandela's lawyers with details of the alleged earlier offences, and the identities of the complainants. Mr Swanepoel agreed, but said he would apply for the new evidence to be held in camera to protect the witnesses. Earlier, he told the court their identities were being withheld because of fears for their safety. He cited the disappearance last month of Gabriel Mekgwe, aged 22, one of the plaintiffs in the case, shortly before he was due to testify against Mrs Mandela.

The other state witnesses, Kenneth Kgase, aged 31, and Barend Mono, aged 21, have testified that Mrs Mandela hummed a tune and danced to the rhythm as she beat them with a whip, after declaring they were not fit to be alive.

Also in the dock are John Morgan, aged 61, who drove Mrs Mandela's minibus, and Xoliswa Falati, aged 36, and her daughter Nompumelelo, aged 18, who worked in a church mission in Soweto where the abductions allegedly took place. Four other accused, all members of Mrs Mandela's so-called football club, jumped bail last January and disappeared. If they are found, they will be tried separately.

A senior barrister said the application of "similar fact evidence" was exceptional, but the principle was well-established and derived from English law, in particular a decision by the House of Lords in 1975 in the case *DPP versus Boardman*. "One may infer from this that Mr Justice Stegmann is sufficiently convinced that these other incidents are compelling and relevant to Mrs Mandela's alleged conduct, notwithstanding the prejudice it might do to her," he said.

● CAPE TOWN: Bob Hawke, the Australian prime minister, would be welcome to visit should he wish to do so, Pik Botha, the foreign minister, said here yesterday. Mr Hawke and President de Klerk of South Africa had been corresponding for several months, he said, and relations between the countries had improved. *(AFP)*

Homecoming: Phumla Williams, right, embracing her sister outside their Soweto home after being released from Pretoria jail yesterday where she was serving a seven-year sentence for terrorism. She was one of 40 political prisoners, most of them African National Congress supporters, released by the South African government in the first amnesty for crimes of political violence (Gavin Bell writes from Johannesburg). Those freed include four men and two women who have been on trial for more than two years on charges of detonating bombs in Cape Town and at the city's airport. Carl Niehaus, a former theology student serving a 15-year sentence for treason, was among 31 prisoners granted remissions of up to seven years.

Panda's image bloodied

Peking — — The image of China's panda — cuddly, shy and chewing on bamboo — has been endangered by a hungry female that has reportedly taken to devouring sheep.

The *Wenhui Bao*, an official Shanghai newspaper, said a panda had left its forest home in the southwest province of Sichuan and attacked and eaten three sheep. The animal then fell asleep in the sheep pen and refused to leave. The paper said the female panda had eaten more than 30 sheep. Experts who caught the panda for research believed she had been forced to kill because her natural bamboo forest habitat was disappearing. *(Reuter)*

Revenge threat

Bogotá — Colombia's drug traffickers are threatening to explode powerful bombs in Colombia's main cities for each of their members allegedly killed or tortured by the authorities. The "Extraditables", who head the drug cartel, said their cause was no longer fighting extradition to America but defending their human rights. *(Reuter)*

Jailed for life

Jakarta — Melkianus Salossa, leader of the Free Papua Organisation, which has been fighting for a separate state in the Indonesian province of Irian Jaya, has been jailed for life for leading a raid which left 14 dead and for killing a member of the armed forces, the official Antara news agency said. *(AFP)*

Advertising ban

Canberra — Australian political parties will be banned from using paid advertising on television and radio under new legislation to prevent corruption. The ban, which still must be approved by parliament, would apply to all elections, federal, state and local. The opposition opposes the measure. *(Reuter)*

Chinese jail term silences Hong Kong

From CATHERINE SAMPSON IN PEKING

A HONG Kong man jailed by a mainland Chinese court for five years for shielding dissidents has written a letter from prison protesting at the length of his sentence, and saying he believes he did nothing wrong.

In Hong Kong, Luo Haixing's trial and imprisonment for a political crime is seen by many as a taste of things to come in the colony after 1997, when it is handed back to China. The Hong Kong government has not protested about the case.

Luo wrote to his wife just after he was sentenced, saying: "The authorities say my sentence is lenient, I don't know what they would consider a severe sentence . . . How can it be that I was sentenced to a year more in prison than Wang Dan?" The student leader Wang Dan, who led thousands of young people on demonstrations through the streets of the capital in 1989, was sentenced last November to four years in prison for spreading counter-revolutionary propaganda. Diplomats believe the Canton court was under orders to impose a sentence which would scare off Hong Kong democracy sympathisers and warn them to stay well out of the mainland's affairs. It is a policy which seems to be working: few people in Hong Kong have taken up Mr Luo's cause, apparently nervous about mainland reaction.

Mr Luo, aged 42, was the representative of the Hong Kong Trade Development Council in Peking. He was sentenced with two other Hong Kong residents at the beginning of March, for trying to help two dissidents escape. His letter, published in a Hong Kong newspaper, asked his wife to tell their children that he had done nothing wrong, and felt no shame.

British officials say there is little they can do to help. China requires that most Hong Kong residents travel to China on a mainland-issued travel document, the "return home permit". Any Hong Kong person travelling on the "return home permit" has in effect surrendered the right to British consular protection.

Ershad in the dock on weapons charge

From AGENCE FRANCE-PRESSE IN DHAKA

HUSSAIN Mohammad Ershad, the deposed Bangladeshi president, pleaded not guilty before a special tribunal yesterday to a charge of the illegal possession of weapons.

"I am completely innocent . . . I seek a fair trial," a grim-faced Mr Ershad told the tribunal judge, Muhammad Habibullah, after rising from his chair in the dock. His lawyer, Kazi Shahadat Hossain, argued that the case against his client could not be supported in law and should not be brought before the tribunal. The court overruled Mr Hossain and went ahead with the formal charges against the former president who, if found guilty, could be sentenced to between seven years and life imprisonment. The hearing was adjourned to March 27 to allow a new lawyer, Ali Azhar, to return from London to plead the case.

Ershad: deposed leader demands "a fair trial"

The tribunal ordered Mr Ershad, who stepped down in December after nine years in power, to appear before it today for the second charge against him. Mr Ershad is charged with corruption, involving about 19 million taka (£2.9 million) in cash, allegedly found at his official residence. He may also face charges of abuse of power.

Mr Ershad was driven from a villa where he is under house arrest under tight security to attend the tribunal. The former general, Bangladesh's longest serving head of state, who came to power in a bloodless coup in 1982, tried to smile at security men and reporters as he entered the court wearing a cream safari suit. As he sat in the small dock, he looked fit and smiled at the crowded court.

During the hearing, supporters of Mr Ershad's Jatiya party staged a small demonstration in the capital's business district demanding his release, witnesses said.

Begum Khalida Zia was appointed prime minister yesterday by the acting president, Shahabuddin Ahmed, official sources said.

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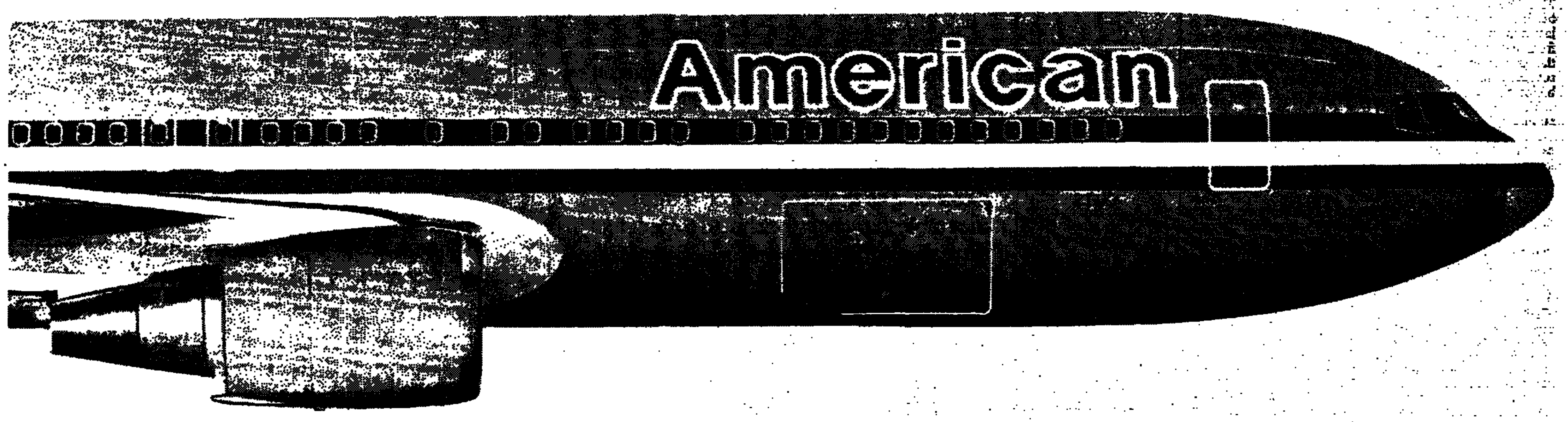

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Has high-risk Lamont struck the right target?

Norman Lamont's first Budget held several surprises. Anatole Kaletsky, Economics Editor, gives his view of the performance and suggests that he may have adopted a high-risk strategy

CRISIS? What crisis? There was an echo of Jim Callaghan in Norman Lamont's Budget speech yesterday. The Chancellor clearly realised that Britain was in economic trouble. But the threat which he perceived to the British economy was not recession, high interest rates, inflation or unemployment. It was the poll tax.

Mr Lamont has been called a "political Chancellor", but even that description fails to do justice to the risks which Mr Lamont has taken to solve the government's *little local difficulty* at Westminster.

In ordaining a £4.25 billion shift in tax revenues from poll tax to VAT and other expenditure taxes, in the context of a broadly "balanced" budget, Mr Lamont has taken the one measure which is least likely to stimulate demand in the economy or accelerate the downward trend in interest rates. The increase in expenditure taxes will tend to discourage consumption, while a significant part of the reduction in poll tax is likely to be saved. To make matters worse, the transfer in taxes is likely to jeopardise the government's "central aim" of bringing down inflation, since higher VAT and duties will immediately boost the underlying rate of retail price increases.

The cut in poll tax, by contrast, will affect only the headline inflation rate, which had, until yesterday, been considered both in the Treasury and the financial market as a less reliable indicator of true impact of price increases on wage demands and consumer spending.

In a small way, yesterday's decision was reminiscent of the Thatcher government's first budget, when Sir Geoffrey Howe raised VAT from 8 per cent to 15 per cent and "compensated" for this with big cuts in income tax. To judge by the disastrous inflationary spiral that followed, the government may have contrived another "own goal" on inflation.

In a sense all this is irrelevant to the central economic issue which this Budget should have addressed. What, if anything, needs to be done to pull the economy out of what the Treasury now officially predicts will be the second deepest recession since World War Two? Mr Lamont's reply has been a resounding silence. There were at least three types of measures he could have taken to try to encourage a rebound.

The first, a direct stimulus through the tax system, would have fallen foul of the ideological aversion to fiscal fine tuning which has been a consistent theme of the 12 Conservative Budgets since 1979. As a result expectations of net tax cuts in the Budget were very muted — and given the large swing from a £1billion surplus to an £8billion deficit which has been guaranteed by the automatic operation of the tax and spending system, the Chancellor could not be blamed for caution on this score.

However, the Chancellor could have acted on monetary policy. Financial markets had been discounting a cut of a full percentage point in interest rates this week, but there was nothing in the budget speech to suggest an imminent cut. Of course, this did not exclude the possibility that interest rates would be cut later this week. Indeed, a cut is still confidently expected in the City, perhaps as early as today.

As yet, however, the Chancellor has done nothing for the hard-pressed industrialists and home-owners. They require not just a one-off cut in interest rates, but a reliable commitment that rates will continue to come down.

This leads to the third, and most surprising, ommission in the Chancellor's approach to the economy. He has done nothing to stimulate confidence. Recessions end as a result of a revival of confidence. But after spending six months trying to convince foreign exchange traders of his commitment to defend sterling in the ERM, the Chancellor appears to have deliberately passed up the opportunity to address himself to businessmen and consumers. He forecast 2 per cent growth between 1991 and 1992, but that would leave the economy no larger than it was in 1990. He did little yesterday to make even this feeble recovery more probable.

This may have been a political, as well as economic, mistake. If confidence in an imminent recovery had been implanted yesterday, there would have been no difficulty in persuading the electorate that the sufferings of the recession had been inevitable, if not worthwhile.

The Government should have noted six months ago that the time for zealotry against inflation and for fanatical observance of monetary and exchange rate targets is in a boom, not in a slump. But this is no longer an issue. Inflation is falling irresistibly, in spite of the higher indirect taxes. The commitment to ERM is no longer being questioned in the markets. This should have been Budget for Recovery, not a Budget for the Relief of Poll Tax.

£1bn aid package aims to improve cashflow quickly

By Graham Searjeant
Financial Editor

CORPORATE TAX

THE Chancellor's 'Budget for business' has answered increasingly plaintive calls from industry for relief from the impact of recession and company failures with a £1.1 billion package.

The reliefs are carefully tailored to have the maximum quick effect on business cashflow and cushion the knock-on effect of company failures. The package has been designed to help virtually all businesses from the largest to the smallest.

The rate of corporation tax has been cut for the first time since 1986 to make it the lowest in the European Community. The 2 point cut from 35 to 33 per cent is the centrepiece of a package of reliefs carefully designed to help business conserve cash during the recession and ease the burden of bad debts.

Unusually, the Chancellor has cut the rate of corporation tax on profits made in the 1990-1 financial year retrospectively from 35 to 34 per cent, since any reduction in this year's rate would make no difference for over a year.

The two cuts together are expected to benefit companies by £380 million this year and £830 million in 1992-3. The impact will be even greater when profits recover.

To help companies who are making losses, the Chancellor is also allowing them to count prior losses against corporation tax for up to three years instead of one year, at an estimated cost to the Exchequer of £250 million in 1992-3. This will only help companies when they return to profit and is not expected to have much impact this year.

Special bad debt relief against VAT payments, on the other hand, will give companies an extra £340 million this year which they would otherwise have had to pay in tax, even though they were not paid for goods supplied.

Smaller companies have been given additional help by raising the profit ceilings for payment of the lower small company rates of corporation tax. The ceiling for the minimum 25 per cent rate has been raised by a quarter to £250,000, building on the sharp increases made in the previous two years.

The ceiling at which companies become liable for the main corporation tax rate has been increased from pre-tax profits of £1 million to £1.25 million. The two are expected to help 30,000 companies.

Companies had high hopes of tax concessions this year. They ran a huge financial deficit of [illegible] billion last year and have been under pressure from poor trading, high interest rates and the impact of inflation on cash flow.

The CBI and other lobbies asked for a series of reliefs. Though many specific demands have been turned down, the total package is as much as most dared hope for.

The Chancellor has chosen to give the main help via a straight cut in the standard rate of corporation tax, which has come down more than a third from 52 per cent since big reform of the tax in 1984.

Despite previous cuts in the rate, the corporation tax burden has risen sharply. The CBI calculated that, after adjusting for inflation, the yield from corporation tax has risen by £14 billion over six years to an estimated £21.6 billion in 1990-91 and doubled as a percentage of national output.

The straight cut in the rate of corporation tax keeps the simplicity of the system introduced in 1984, but is necessarily indiscriminate and costly in terms of government revenue in a year when corporation tax receipts are already expected to fall sharply due to lower profits.

The Treasury estimates that corporation tax receipts will fall by a tenth to £19.5 billion in 1991-92, even before the full impact of the cut in the basic rate of tax is felt.

There were strong demands for the reintroduction of special reliefs against corporation tax abolished in the reforms. The Chancellor made it clear, however, that he would not undo the principles of Nigel Lawson's 1984 reform, which aimed at reducing the rate of tax while eliminating many traditional tax deductions which distorted behaviour and ate heavily into revenue.

Middle ground benefits most

By David Lipsey

"A BID for the centre ground" is how one Treasury source describes the distributional effects of Norman Lamont's first budget. Tax experts were sitting down with their computers last night to analyse the gainers and losers from the Chancellor's package; but as a summary of who gains and who loses from the budget, this Treasury view seems as close to the mark as any. The most significant budget change is the £140 across-the-board reduction in poll tax, and the 2½ per cent rise in VAT to pay for it. The poll tax reduction unabiguously favours the centre at the expense of the poor and the rich.

Most poor people will gain little from it. They are eligible for poll tax rebates, which meet up to 80 per cent of their poll tax bills, and so may save as little as £28 a year. For the rich, the reduction is a smaller proportion of their income than it is for the rest of the population, so they too will barely notice the difference.

Those in the middle however, will benefit most, with the most impressive proportional gain being enjoyed by those whose incomes are just above the level that allows them to claim rebates.

The VAT increase to pay for the change is more favourable to the poor. They spend a relatively high proportion of their income on such items as food, fuel and fares, on which VAT is not payable. Those in the bottom 10 per cent of the income distribution pay least in VAT. The proportion rises steadily over the bottom 40 per cent of the income distribution; thereafter, VAT payments are roughly proportional to income.

Rich people with mortgages will lose as a result of the ending of higher-rate mortgage interest relief. They will also tend to suffer from the 20 per cent increase in scale charges for company cars, and for the Chancellor's impost on mobile phones. But the £1,000 increase, on top of inflation, in the threshold before higher-rate income tax bites will cancel these losses for many.

Generally, the budget is good for families with children. The freezing of the married couple's allowance makes the tax regime bite harder there, but families with children will find compensation in higher child benefit. The Chancellor is also making sure that the really poor, who are dependent on state income support, do not lose out. This time, their income support will not be cut when their child benefit rises.

The one really regressive move in the budget is the increase in tobacco duty. The poor spend a higher proportion of their income on cigarettes. The sharp increase in their price, as a result of the increase in tobacco duty and higher VAT, will inevitably hit their pockets hardest, unless they do as the government would like, and quit.

The art of plucking a goose......

Goodbye to the warbling trill

By Alan Hamilton

CAR PHONES

THE infuriating warbling trill, as though some exotic rainforest bird were trapped under the tablecloth, which come to mar many a relaxed lunch, may become thankfully rarer as a result of the £200 tax charge on mobile phones.

Keen observers report, however, that the species may already be in decline as a result of an increasingly hostile environment which has decimated the population's symbiotic partner, the yuppie. The tax to be paid on £200 for each phone will help to hasten an end to the nuisance.

Many restaurants already discourage or even ban the use of mobile phones on the premises. A spokesman for the Savoy hotel group said yesterday: "We do not allow the use of mobile phones in our restaurants at The Savoy, Claridge's, the Berkeley or the Connaught. There are always plenty of public phones nearby that diners can use if they have to. It is extremely disturbing if a phone rings while you are eating. The Chancellor seems to be in agreement with us."

The tax may also help to curb certain frightening practices on the road, particularly that indulged in by drivers of BMW cars travelling at more than 85mph in the fast lane of the motorway with one hand on the wheel and the other grasping, or even dialling, a mobile phone.

There are an estimated 1.2 million mobile phones in use in Britain, about 60 per cent of them portable and the remainder fixed carphones. Portables already attract a £200 benefit-in-kind tax penalty, and yesterday's announcement merely extends that to all mobiles including those fixed in cars.

A spokesman for Racal Telecom, the firm that owns the Vodaphone network, expressed a hurt reaction yesterday to the Chancellor's remark that mobile phones were the scourge of modern life.

"That's not very nice coming from the government that set up the network in the first place," he said.

Mobile-phone users who have the apparatus supplied by their employer, and who either make no private calls or who pay for the private calls themselves, will escape the tax penalty, as do owners of company cars who pay for their own private motoring.

Racal estimates that the average mobile-phone user will be liable for between £50 and £80 a year in tax.

Diners were left wishing last night that, instead of taxing phone users, the Chancellor had introduced a system of punitive on-the-spot fines for any user whose mobile warbled at the table.

Foundation will give sport and the arts £60m fillip

By Simon Tait and John Goodbody

SPORT and the arts stand to gain £60 million a year from a new foundation paid for by the football pools companies and by a 2.5 per cent reduction in the tax on pools betting.

The Chancellor's surprise announcement dashes hopes of a national lottery, which he had been expected to mention. The lottery's promoters believe it could raise £1 billion a year for the arts, sport and the environment.

The new arts and sports foundation will be paid for by the three major pools companies, Littlewoods, Zetters and Vernons. It will contribute £40 million a year to a trust from stakes placed by punters. The companies will now have to come to a binding agreement. A cut in the pools tax from 40 per cent to 37.5

LOTTERY

per cent will provide another £20 million a year. The reduction will be in force for an initial four years.

The Sports Council receives £47 million a year in government subsidy and the Arts Council is given £196 million. Lord Palumbo, chairman of the Arts Council, said: "This is something to be warmly welcomed, but it must be made clear that this is not to be a replacement for subsidy."

There were indications last night that the partnership of sport and the arts might not be an easy one, however. David Pickup, director-general of the Sports Council, said: "This is an interesting concept, but it is unclear why sports-related expenditure should pay for the arts."

The Lottery Promotion Company, which may be seen to have lost the day to the pools companies, yesterday announced that Sir Richard Luce, the former arts minister, and Lord Gibson, the former National Trust chairman, would join its board. "We are by no means disappointed" Denis Vaughan, a member of the board, said. "The sums are very small compared with what a lottery could raise, and we see this measure as preparing the way."

Apart from the new foundation, the arts will not benefit from the Budget. The National Campaign for the Arts said: "Writers, musicians and actors will suffer most through the raising of VAT affecting ticket sales."

Praise tempered by nervousness on poll tax review

By Richard Ford
Political Correspondent

Hampson: "impact by slaughtering poll tax"

POLITICAL REACTION

BACKBENCH Conservative MPs praised Norman Lamont for a Budget that many believe has allayed the damage caused by the poll tax and improved their chances of winning the next general election.

Although most Conservative MPs were delighted at his move, they are still nervously awaiting the announcement tomorrow of the review of the poll tax. Most accepted that the government had little option other than to find large sums of money to cut poll tax bills and reduce electoral damage. Keith Hampson, Conservative MP for Leeds North West, said: "he has achieved a dramatic impact in the short term by slaughtering the poll tax".

However, several Labour MPs believe that the government will pay a heavy political price for increased VAT, particularly among the C1 and C2 voters when faced with increased household bills. In his immediate response to the Budget, Neil Kinnock said the chancellor had dodged the issues facing the country. "He gave us a short term budget. He gave us a tinkering budget."

Mr Kinnock accused the government of the "biggest climbdown in modern political history" over its changes to the community charge, saying the government was "backing off" its flagship after two years in which the Conservatives had wasted £10 billion on the "misery and injustice and inefficiency of the poll tax".

The Labour leader said the increases in the rate of VAT would hit many families on medium incomes, average incomes and low incomes. He welcomed, however, the limitation of mortgage tax relief and the help given to small businesses.

Minutes after the opposition leader had finished his reply to the budget, Mr Lamont attended a meeeting of the Conservative backbench finance committee. Although he was greeted with the traditional banging of desks, the response was more restrained than usual as MPs remain nervous about the effects of increases in VAT and the review of local government. Sir Rhodes Boyson, Brent North, said: "It was politically very shrewd. The government has climbed out of the treacle of the poll tax, they must not make the mistake of falling into the property tax treacle."

Other Conservative MPs welcomed the improvement in child benefit as a much needed statement of principle on the issue, and the help given to small industries.

John Smith, the shadow chancellor, said the budget was irrelevant to Britain's real economic needs. It did nothing for the unemployed, barely anything for training and failing to tackle the twin problems of falling output and investment in manufacturing industry.

"The rise in VAT represents a humiliating U-turn for a government that is trying to buy its way out of the poll tax, by putting a price increase on almost everything we buy," he added.

Alan Beith, the Liberal Democrat's treasury spokesman, said the Budget was about the Conservatives' immediate political fortunes.

THE TIMES BUDGET DIARY

Hope for the odd man out

Great things are still expected of Hugh Dykes, the Conservative MP for Harrow East, who is known in political circles as a bit of a rebel. Dykes, aged 51, was one of four leading lights at Cambridge university in the early Sixties who ran the Conservative association there. The four, who were constantly jockeying for position, were observed with amusement by other undergraduates, who were far more interested in parties with a small "p".

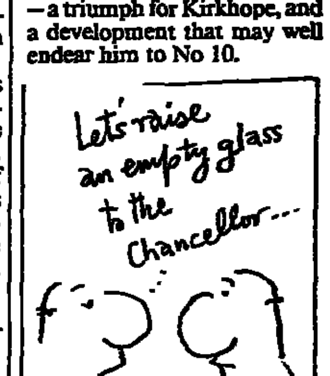
Dykes went on to become a stockbroker and a partner with Simon & Coates but has yet to make it into the cabinet. In that he is the odd one out. For his university contemporaries were Kenneth Clarke, John Gummer and Norman Lamont.

Peter Clarke, director of fixed interest gilts at Kleinwort Benson, was also a Cambridge contemporary. "It was as if they were already practising for later life," he says, adding that his only recollection of Lamont is that he had a penchant for velvet jackets. "It was a bit avant-garde at the time."

Triumph over sauce sachets

John Major is, it seems, not alone among Westminster men when it comes to having a penchant for meals at Happy Eater roadside cafés. A regular at its sister chain, Little Chef — also owned by THF — is Timothy Kirkhope, Conservative MP for Leeds North East, who often pops in for a bite to eat on his way to London.

Kirkhope, aged 46, had, however, become incensed by the café's tomato sauce sachets, which he found impossible to open without the contents spurting all over his hands. Now, after a concerted campaign, Little Chef has agreed to change its ways; its sachets will henceforth have perforated strips to allow them to be opened more easily — a triumph for Kirkhope, and a development that may well endear him to No 10.



Cover blown

While Norman Lamont was able to write yesterday's speech in his Downing Street residence, he could rehearse it only in his Commons office. The rear windows of the house were blown out in the IRA mortar bomb blast last month, 24 hours after he moved in. Many have not yet been replaced. A Treasury source says: "The Chancellor did not dare rehearse the speech aloud in Downing Street, because of the windows. Someone working in the garden below might have heard him."

A step ahead

Paterson Zochonis, the Cussons soap group, has done it again. It notched up its sixth hit out of seven yesterday for publishing interim results on budget day. Alan Whittaker, the group's finance director, who was responsible for setting the date about six months ago, said: "At least I got in first."

Line is drawn

Norman Lamont is clearly canny with his cash. So tickled was he by a *Times* City Diary cartoon of him waving a white flag after the half-point cut in base rates two weeks ago that Adam Linford, of the Treasury press office, was instructed to seek the original. Our cartoonist, Keith Waite, asked £65. This was relayed, but Linford has yet to receive a reply. Waite now says he would be happy to send the Chancellor a copy free — and even refund the telephone call.

Carol Leonard

Firms to pay £1bn extra in VAT and insurance

By Kevin Eason, Motoring Correspondent

INDUSTRY faces a bill of more than £1 billion over the next year in extra national insurance and VAT payments after the Chancellor's decision to continue the government's purge against company cars.

An anguished motor industry said the Budget measures would cause the sale of tens of thousands of cars to be lost and mean big increases in fleet running costs. Mr Lamont added 20 per cent to the employee "scale charges" that tax Britain's 4.5 million company car drivers on private use. There had been increases totalling 220 per cent since 1987.

Companies were also dismayed that they would have to pay national insurance contributions on company

cars and at the added cost of buying fleet vehicles as a result of higher VAT. Lex Vehicle Leasing, one of Britain's biggest leasing and rental companies, said firms might have to find an extra £1.3 billion to pay for the changes.

The Treasury already raises £1.2 billion annually from scale charges on company car users, but Mr Lamont expects to take a further £440 million over the next two years by increasing charges again. The immediate response from the industry was that companies would buy fewer cars, further depressing the market at a time when new car registrations are down by 23 per cent compared with last year.

The Society of Motor Manufacturers and Traders (SMMT) said the increase on scale charges could force a reduction of as much as 4 per cent in sales to company fleets. The Retail Motor Industry Federation, which represents 13,000 garages and car dealers, said the Budget was little short of a disaster for the industry.

Neil Marshall, the federation's chief economist, said:

COMPANY CARS

"There is nothing in this Budget to aid the motor industry. VAT increases, increases in scale charges, the addition of national insurance charges on employers and increases in fuel prices all add to industry's costs and weaken confidence. It will mean fewer company car sales and an even tougher time for an industry which has been suffering lately."

The SMMT added that there was little encouragement to buyers to switch to new cars using cleaner "green" technology in the wake of a Budget that would increase sticker prices because of the VAT increase. Total taxation on new cars would now be 27.3 per cent of the showroom price.

Jon Walden, managing director of Lex Vehicle Leasing, said: "If this Budget had come in a boom, we could have shrugged it off, but it has come in a recession and the consequences could be very serious."

Industry experts were angry that the Chancellor did little to encourage a move to more economic fuels or engines and nothing to iron out the anomolies in the company car tax system.

SMMT submissions to the Treasury show that drivers covering between 2,500 and 18,000 miles a year using a 1.4-litre to 2.0-litre car were already overtaxed by as much as 38 per cent, even before yesterday's Budget increases.

An unmarried district nurse, earning £10,000 a year and driving a Ford Fiesta 1.4 10,000 miles annually, was £59.80 worse off after the 1990 Budget, according to calculations by Lex. This year she is a further £87.48 worse off.

A married sales representative earning £18,000 a year and driving a Vauxhall Cavalier 1.6 over 20,000 miles annually saved £164 last year, but this year loses £108 in tax charges. However, the £40,000 a year director who drives his Jaguar XJ6 as a perk but covers fewer than the 2,500 miles required by the scale charges was more than £800 worse off last year and will be a futher £670 worse off this year.

Meanwhile, Mr Lamont's decision not to increase vehicle excise duty means that the Treasury can collect £2.9 billion from the tax this year without adding to the costs of motorists.

Ready to react: dealers and economists at Barclays dealing room at Royal Mint Court, London, listening to the Chancellor's speech

ALAN WELLER

Rich losing overseas haven for their assets

By Lindsay Cook, Money Editor

A LOOPHOLE that has allowed the rich to shelter valuable assets from capital gains tax by setting up offshore trusts is to be closed.

Since the 1981 Finance Act, British owners of valuable items have been able to dispose of them through offshore trusts or settlements without paying any capital gains tax.

Hundreds of trusts have been set up in the past few weeks in anticipation of a change in the Budget. A similar rush occurred last year.

Norman Lamont, as financial secretary to the Treasury, instituted a review of the taxation of trusts in 1988. Nothing more was heard until late last year, when newspaper reports said that £1 billion a

OFFSHORE FUNDS

year was being lost to the Inland Revenue through such trusts. Then the Revenue said that a "further announcement" would be made in due course. In his speech yesterday, Mr Lamont said that the measures he proposes will prevent "a revenue loss of up to £100 million in a full year".

The trusts, set up by high street banks and firms of accountants, allowed wealthy people to hand over their assets to trusts and yet still to be beneficiaries of the trusts. Shares, paintings, properties and other assets could be sold, realising gains but avoiding any liability to British capital gains tax, which is charged at 40 per cent. Only if the proceeds of the sale were brought back into Britain would there be tax to pay.

Mr Lamont said: "I do not think it is right for a relatively small number of wealthy people to shift very large assets into offshore trusts, simply in order to avoid UK tax. Such people have already benefited from the reductions in the higher rate of income tax."

Ministers braced for the worst but an economic recovery is in sight

By Graham Searjeant, Financial Editor

FORECAST

THE government now expects the recession, which it once saw as a short-term correction, to be as bad as the slump at the start of Mrs Thatcher's battle to change the British economy. Inflation should, however, come down faster as a result, enabling faster cuts in interest rates and a recovery starting in the middle of the year.

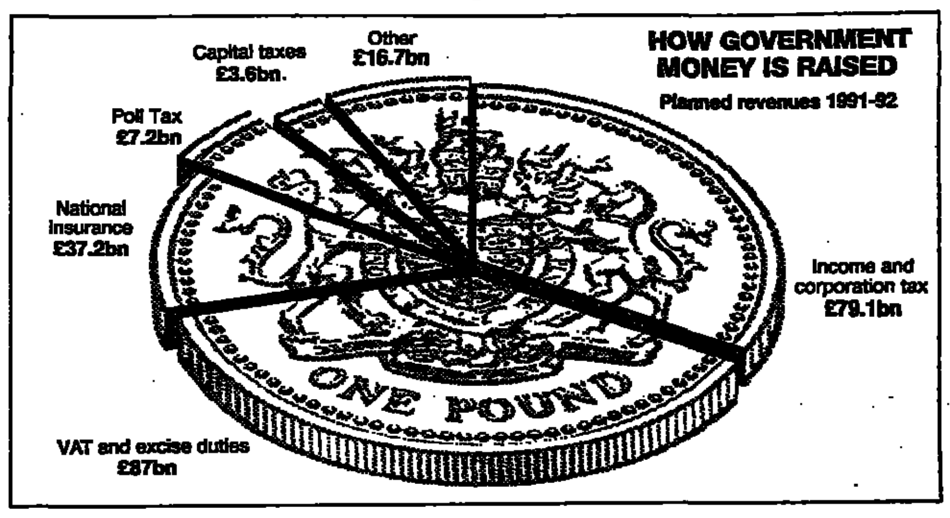
The Treasury forecasts that output will fall by 2 per cent this year, exactly the same as in 1980, the worst year of the previous recession. The Chancellor admitted that he had been caught by surprise by the effect of the slowdown in business and blamed the impact of the Gulf conflict on consumer and business confidence for making things worse.

As recently as November he forecast a rise of 0.5 per cent in gross domestic product in 1991, but capital spending is now expected to collapse by 9.75 per cent against a forecast fall of only 1.5 per cent in the autumn statement.

Consumer demand is also forecast to fall by a relatively sharp 1.75 per cent against the earlier assumption that it would rise by 2.5 per cent. Those forecasts are worse than more pessimistic than most of the predictions of outside forecasters.

There are, however, some benefits from that in beating inflation, which the Chancellor put as his first priority. By the fourth quarter of this year, the Treasury expects the retail price index to be showing an annual rise of only 4 per cent. In the autumn statement, 5.5 per cent was expected. Mr Lamont also predicted yesterday that inflation would stay below 4 per cent in the first half of 1992, instead of turning up again.

The fall in domestic demand, allied with recent revisions of the invisible trade figures, will make a strong impact on the balance of payments. The deficit for 1991

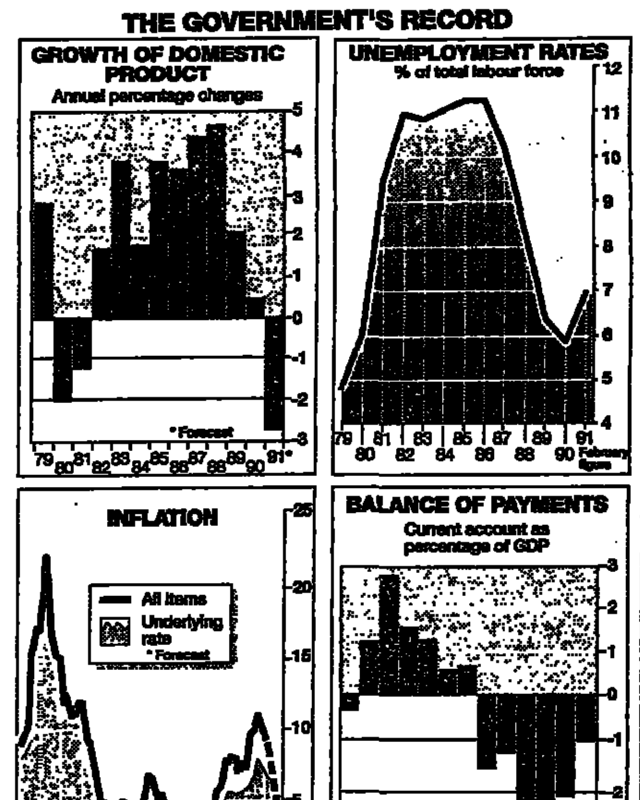


is now forecast at only £6 billion, compared with £11 billion in the autumn statement, although the discovery of a big invisibles surplus in the last quarter of 1990 may account for much of the difference. Imports are expected to fall by 1.5 per cent, while exports increase by 1 per cent against a 4.75 per cent rise in 1990.

Those factors suggest that Mr Lamont is hoping for rapid cuts in interest rates to stimulate recovery from the middle of the year. Although Mr Lamont expects this to start slowly, the Treasury hopes that by the first half of 1992 output will be 2 per cent higher than the worst of the recession in the first half of this year. In the absence of any help from the world economy, the increase is mainly expected to come from a recovery in consumer confidence. By the first half of 1992, consumer spending is forecast to rebound to a rise of 2.25 per cent on the first half of 1990.

Destocking is also expected to end earlier than seemed likely in the autumn, producing a useful additional stimulus in the absence of any export-led growth. Against an autumn forecast that stocks as a percentage of output would fall by 1 per cent this year, stocks are now expected to fall by only 0.25 per cent.

To reflect lower inflation, the targets for growth of M0, the narrow measure of money supply have been cut from a 1-5 per cent range to 0-4 per cent. The Chancellor said that he would pay attention to the wider measure of money, M4, and also unexpectedly said that he would treat the price of assets — such as shares and and houses — as a significant monetary indicator.



VAT cheer for small businesses

By Wolfgang Münchau

ABOUT 150,000 small businesses will no longer need to register for value-added tax as a result of a 40 per cent increase in the starting level for VAT registration from £25,400 to £35,000 annual company turnover. The figure is the highest in real terms since VAT's debut in 1973.

Mr Lamont said that "accounting for VAT can be an onerous duty for small traders. When VAT was introduced therefore we exempted firms with the lowest turnovers from registration. But under EC constraints, the threshold could not rise above the level of inflation." Mr

VAT

Lamont said the government had consulted with the commission, which "responded very positively". The European rules were intended to prevent governments pursuing unilateral policies on indirect taxation prior to the expected EC agreement on VAT later this year.

The £35,000 threshold relates to annual turnover. Under the current rules a company needs to register for VAT at the end of any month if the value of taxable supplies in the past 32 months has exceeded the annual threshold. The costs to the Treasury are estimated at £25 million in the first year, rising to £40 million in 1993.

VAT relief on bad debts has been improved to help companies cope with recession. In last year's budget, John Major introduced a new regime on bad debt relief that will come into force on April 1 this year, and will allow traders to reclaim VAT for bad debts older than two years.

Unlocking rewards of enterprise

By Martin Barrow

PROPOSALS intended to help two groups that have suffered badly from the recession, small businesses and the self-employed, were announced.

The qualifying age for relief on capital gains tax is to be reduced from 60 to 55, while the limit for exemption will rise to 100 per cent of the first £150,000 of capital gains and half of the next £450,000. The measure is expected to encourage the transfer of assets to younger entrepreneurs.

The Chancellor said: "One way we can help businessmen and women reap the rewards of their efforts is to improve the relief available to them

SMALL FIRMS

when they retire and have to realise the asset they have created."

Capital gains exemptions and the inheritance tax threshold will be indexed to inflation, lifting the capital gains annual exempt amount to £5,500 and the inheritance tax threshold to £140,000.

Mr Lamont also proposes to give unincorporated businesses the opportunity to offset trading losses against capital gains. That would assist small businesses that wished to sell assets during a difficult period.

Small employers will be allowed to pay PAYE deductions and National Insurance contributions quarterly, rather than monthly. The change will apply to businesses that pay a total of less than £400 in PAYE and NIC a month.

Mr Lamont plans to increase the turnover limit below which taxpayers may submit a simple three-line statement instead of full accounts on business or rental income.

Spending deficit makes unwelcome return

By Anatole Kaletsky, Economics Editor

PSBR

THERE was a time when the sudden lurch from a £1 billion budget surplus to a public sector borrowing requirement (PSBR) of £8 billion would have provoked calls from the City and the Conservative party for the Chancellor's ritual disembowelment.

The huge deficits of the late were a badge of national shame for Margaret Thatcher. Indeed, the definition of the PSBR was effectively imposed on the government by the International Monetary Fund, when management of the economy was virtually handed over to the fund by Denis Healey during the run on sterling in 1976. As a result, elimination of government deficits was one of Mrs Thatcher's proudest achievements during the late Eighties.

Her chancellors may have emphasised that there was nothing wrong with the occasional deficit, provided it was matched by surpluses in other years, but the growing belief in the past few years that there might never be another serious recession fostered the hope that large deficits had been permanently eliminated from public life.

The fundamental cause of this improvement was seen as the good housekeeping of the Thatcher period, and not simply the cyclical strength of the economy, which automatically boosts taxes and reduces public spending on unemployment benefits. In fact, as recently as late January when the severity of the recession was already apparent, the Institute of Fiscal Studies and most City economists were still forecasting a PSBR of only £4 billion in 1991-2.

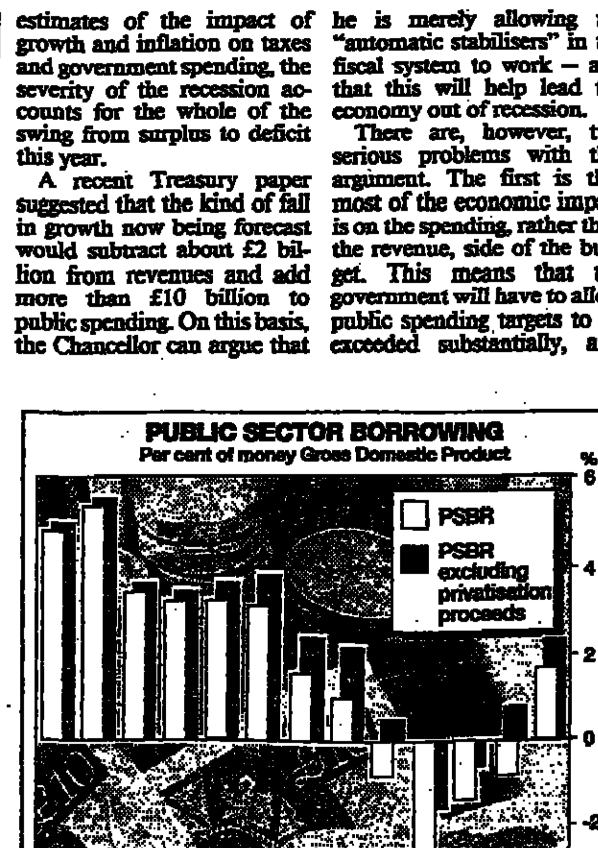
The Treasury, however, knew better. With its insight into the flows of public revenue and spending, the Treasury realised several months ago that a substantially larger borrowing requirement was inevitable this year. By the time Norman Lamont announced the precise figure, the City and the public were well-prepared.

Nevertheless, should the abrupt swing from surplus to deficit be accepted as a normal consequence of the economy's cyclical movements, or does it suggest that the government's finances are threatening to run out of control?

Official analysts naturally come out with the first answer. According to the Treasury's estimates of the impact of growth and inflation on taxes and government spending, the severity of the recession accounts for the whole of the swing from surplus to deficit this year.

A recent Treasury paper suggested that the kind of fall in growth now being forecast would subtract about £2 billion from revenues and add more than £10 billion to public spending. On this basis, the Chancellor can argue that he is merely allowing the "automatic stabilisers" in the fiscal system to work — and that this will help lead the economy out of recession.

There are, however, two serious problems with this argument. The first is that most of the economic impact is on the spending, rather than the revenue, side of the budget. This means that the government will have to allow public spending targets to be exceeded substantially, and the ratchet effect may make it hard to cut spending again once the economy revives.



Secondly, the Treasury model suggests that the 1991-2 PSBR might be only the tip of an iceberg; the main impact of an economic slowdown on the public sector borrowing requirement does not take effect until the second year. Because of the increasing share of corporation taxes in the government's revenues, the depth of the recession acknowledged in yesterday's forecasts suggests that revenues will fall by a further £7 billion in 1992-3, while public spending will go up by an additional £2 billion.

Although the Chancellor promised yesterday that the borrowing requirement in 1992-3 would be only slightly larger than £8 billion, calculations based on the Treasury's own model by City analysts Goldman Sachs indicate that the public sector borrowing requirement might reach £20 billion.

The better trend projected in the Budget statement will depend on some tough decisions about public spending and taxes being taken in the years ahead. Fortunately for Mr Lamont, these issues can be left until after the general election.

Special allowance will help to ease the burden

By Philip Bassett, Industrial Editor

THE government's granting of a training tax allowance marks its first decisive attempt to make individuals bear more of the cost of their training.

Spending on training currently comes from three main sources — employers, the government, and individuals. Employers pay the most: some £20 billion at the last estimate. The government and individuals each provide about £8 billion.

Because of the recession and the need to cut costs, the scope for employers to increase their spending on training is limited. The government's cuts in its training budget announced after last year's round of public spending negotiations show that it has little, if any, intention of increasing its own

TRAINING

proportion of the cost. So, if there is to be more, ministers believe that it must come from individuals.

The relief announced by the Chancellor will be given for any training leading to the recognised standard of vocational qualifications the government is trying to promote through the National Council for Voluntary Qualifications. Tax relief, to begin on April 6 next year, will be given by direct deduction from study and examination fees.

Training specialists believe that this could take more than £50 off the cost of some examinations and that, if marketed properly by the government's training and enterprise councils, the allowance could provide a significant stimulus for people to spend money on their own training.

The tax allowance is an important Whitehall victory for Michael Howard, the employment secretary. Although the Budget did not include an announcement of a new temporary work scheme, which some had expected, there is still a strong probability that the government will make a separate announcement about such a new programme within the next few weeks and perhaps before the seasonally adjusted unemployment total rises above two million next month.

Boost for profit sharing

By Neil Bennett

COMPANIES are likely to face strong pressure from staff to set up pay and employee share ownership schemes related to profits, because of the tax benefits announced by the Chancellor.

Norman Lamont said that profit-related pay would be completely tax free from April 1 this year. Until now, half of such pay has been exempt. He also offered incentives to executives to establish employee share ownership plans.

Mr Lamont said that the extra tax exemption for profit-related pay might reduce unemployment in the long term. "If the economy is to perform to its full potential, we need a more flexible labour market," he said. "If wages are inflexible the burden of recession falls on jobs. There is a considerable prize if we can get pay to take some of the strain." Firms can presently pay staff 20 per cent of their

ESOPS

salaries, or up to £4,000, as part of a registered profit-related pay scheme. The increased exemption will mean an annual saving of £500 for a basic rate taxpayer and £800 for a top rate taxpayer.

The Chancellor also sought to ensure the success of employee share ownership plans (Esops) by offering executives the chance to buy shares in their company at a 15 per cent discount, provided they establish a share ownership plan for all employees. Companies will qualify for tax relief on the cost of setting up Esops.

From April 6, firms will be able to give £3,000 in shares to all employees as part of a profit-sharing scheme, a 50 per cent increase. Staff earning over £30,000 can be given shares worth 10 per cent of their salary up to £8,000.

The incentive for executives to establish all-employee Esops has been offered because executive share option schemes are still far more popular than the more egalitarian versions. By the end of February there were 4,700 executive schemes but only 1,900 general schemes.

Tax relief cut offset by £3,000 rise in threshold

By LINDSAY COOK
MONEY EDITOR

MORTGAGES

THE 1.2 million homebuyers who pay higher rate tax will have their mortgage tax relief cut from 40 per cent to 25 per cent from April 6. At present interest rates, that will add about £52 a month to the cost of £30,000 mortgages.

However, it will be partly offset by a £3,000 increase of the threshold for higher rate tax to £23,700, worth £37.50 a month. When mortgage tax relief and personal allowances are taken into account, married men will not pay tax at the higher rate until their earnings are almost £29,000.

The restriction of mortgage tax relief to the basic rate of income tax had been widely expected as Margaret Thatcher had been its only defender in cabinet. It had been regarded as vulnerable since Mrs Thatcher was ousted as prime minister in November. She was the only defender in the cabinet of the extra cash help for higher rate taxpayers.

The cost of the additional relief was estimated at £470 million for 1990-1 at the time of the last mortgage rate cut. The Chancellor put the saving at £420 million indicating that further interest rate cuts are on the way. The sum eligible for mortgate tax relief remains £30,000.

Adrian Coles, of the Building Societies Association, said: "The effect of the change will be minimal because of the raising of the higher rate threshold. Much more important is the future of interest rates. We do not regard this as gloom and doom for the housing market."

Building societies and banks had felt unable to defend the higher rate relief, although they stopped short of calling for its withdrawal. In January, however, the director general of the Building Societies Association, Mark Boleat, suggested at the Institute of Economic Affairs' conference that higher rate relief could be abolished and the threshold for the 40 per cent tax rate increased "by about £4,000" so that no one would be worse off.

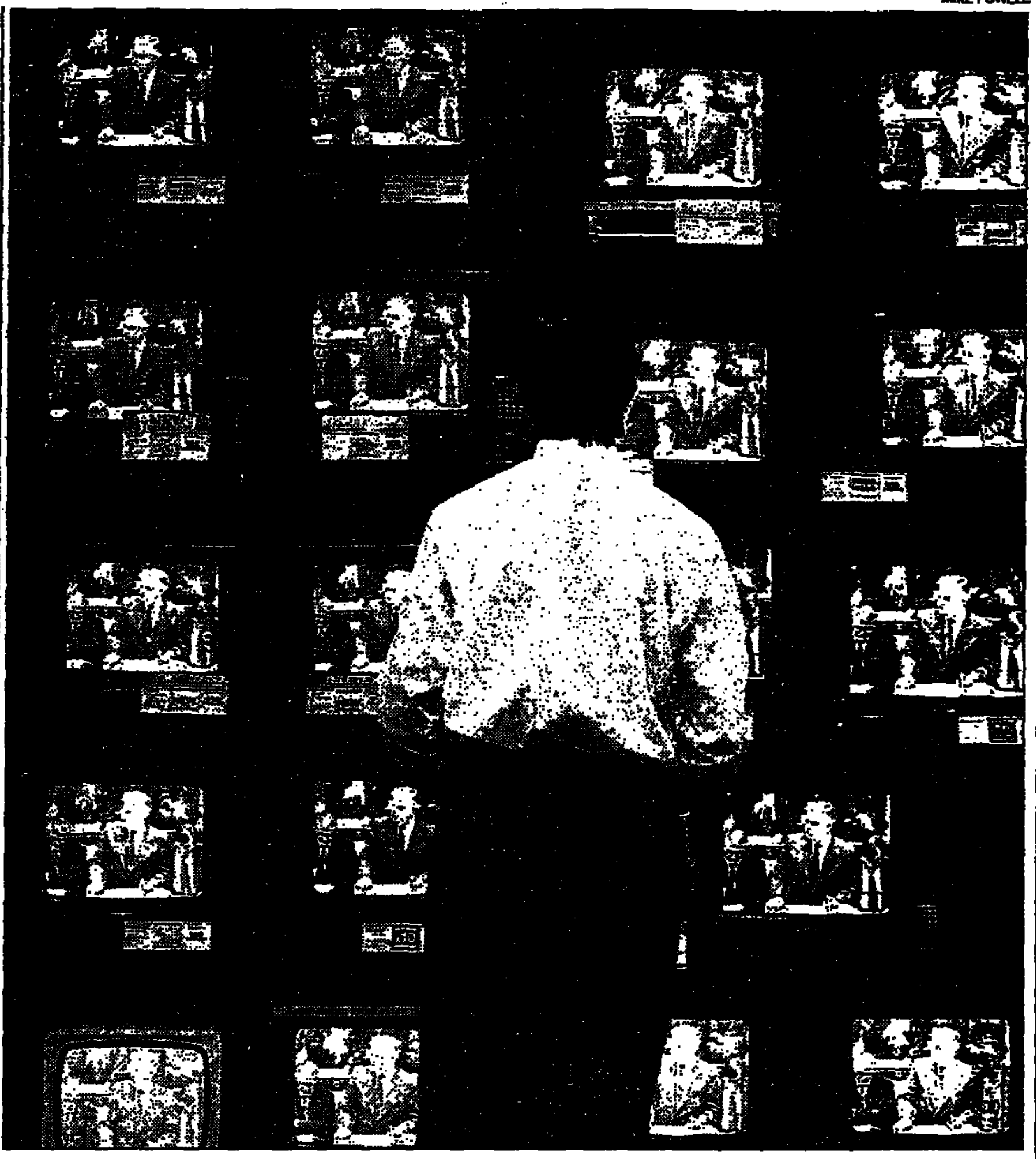
Jim Birrell, chief executive of the Halifax Building Society, said: "The abolition of higher rate relief was not unexpected; but there is a compensating factor in the increase in the higher rate threshold." A society spokesman added that the change would have no impact on house prices and that the reduction of interest rates would be far more important.

At the Abbey National, Richard Boulton, manager of market planning, said: "It was always likely to happen because the higher rate relief caused the Inland Revenue a big administrative problem." The higher rate relief is not dealt with in the mortgage interest relief at source system (Miras) but is calculated separately by tax officials. The additional relief is then paid through the tax coding system.

Mr Boulton said that the Abbey National's standard mortgage rate was cut to 13.85 per cent on Monday. "We would need another 1 percentage point off bank base rates to cut mortgage rates again. Then the reduction should be about 0.75 of a point. We are expecting a likely cut of 0.5 of a point this week and a further 0.5 cut in about a week."

Last week Francis Maude, financial secretary to the treasury, had disclosed that the ceiling for mortgage interest relief could be raised to £37,000 at no cost if higher rate relief were scrapped. The ceiling was last raised in 1983.

MIKE POWELL



Free viewing, at least: a shopper in Oxford Street, London, takes time off to watch the Chancellor's speech

Inflation-sized increases put 56p on Scotch

By GILLIAN BOWDITCH

ALCOHOL

HIGHER excise duties have added 2p to the price of a pint of beer, 9p to a bottle of table wine and 56p to the average price of a bottle of whisky. The increases were in line with inflation at 9.3 per cent and were expected.

Cider goes up by 1p a pint and sparkling wine by 15p. Fortified wines such as port and sherry increase by 15p to 18p a bottle. The price increases took effect at 6 pm yesterday.

The increase in VAT from 15 to 17.5 per cent will mean an additional 2.5 per cent VAT on the VAT-exclusive retail price of alcoholic drinks from April 1. The excise and VAT increase on alcoholic drinks will add £310 million to the Exchequer's coffers.

Mr Lamont said in the Budget that he would legislate to change the basis on which beer is taxed so that the duty paid will reflect a beer's alcoholic strength. Low alcohol beers will be taxed more leniently.

In last year's Budget the Chancellor increased taxes in line with the rate of inflation for all alcoholic drinks except spirits, adding 2p to a pint of beer and 7p to a bottle of table wine. Spirits, which the Chancellor then said had enjoyed a duty standstill since 1985, were increased by 10 per cent. This added 54p to the price of a bottle, 12p above the rate of inflation. There wax no increase in the tax on alcohol in the 1989 Budget.

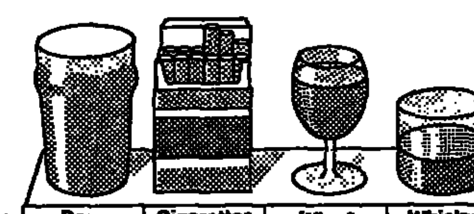
The Scotch Whisky Association said that this year's duty increases were disappointing and pointed out that sales of Scotch had fallen 3 per cent since last year's Budget. Unless the government adopts a fairer structure for taxing alcoholic drinks in Britain it would not be able to argue effectively for fairer taxation of Scotch whisky within the European Community, the association said.

The SWA would like to see a system whereby all drinks are taxed at the same rate per unit of alcohol content. The tax on an ounce of Scotch before the Budget was 19.7p. The same amount of alcohol in beer was taxed at 10.2p, in wine at 10.97p and in sherry at 12.47p.

Scotch whisky exports amounted to around £1.7 billion last year contributing around £1 billion to the Exchequer through excise duty and tax. The Brewers' Society has also been arguing for fairer tax treatment of beer within the EC. British beer drinkers pay the second highest rate of tax in Europe. European harmonisation of beer tariffs could bring the price of a British pint down by as much as 11p.

The Wine and Spirits Association says sales of table wines have fallen in the last year and that in five years sherry and port have lost two-thirds of sales volume under the weight of growing taxation. The association would like the differential in tax between table wines and fortified wines to disappear.

But not everyone was unhappy about yesterday's tax increases. Alcohol Concern said: "We welcome the decision to increase the duties in line with inflation. "We are pleased about the higher rates of duty for higher strength drinks but we would like to see even greater incentives to reduce alcohol consumption and prevent the 28,000 annual deaths linked with alcohol which makes it the second biggest killer after tobacco".



*Bottle	Beer	Cigarettes	Wine*	Whisky*
Price	£1.04	£1.80	£2.87	£9.70
Increase in duty	2p	16p	9p	56p
New price	£1.06	£1.96	£2.96	£10.26

Source: Customs & Excise

VAT bill may add extra £33m

By SARA McCONNELL

CHARITIES said that they faced paying an extra £33 million a year because the Chancellor had raised value-added tax rate to 17.5 per cent from 15 per cent and had not given any VAT relief for charities.

Barry Gifford, of the Charities Tax Reform Group, said: "We are absolutely devastated at the Budget. Not only did the Chancellor not introduce measures to help charities with their very heavy VAT burden, which currently amounts to over £200 million a year, but he also increased the rate of VAT by 2.5 per cent, thereby increasing the VAT burden by £33 million a year. Cancer Research Campaign's VAT bill will rise by £150,000 a year. The company reliefs announced are merely cosmetic and not worth anything in the medium term."

Charities could face an even larger VAT bill of £750 million in 1992, when VAT reliefs are standardised, he said.

Mr Lamont removed the top limit of £5 million on tax-deductible giving via GiftAid and also the anomaly whereby subsidiary companies giving via it had to divide the gift equally between the companies up to the £5 million maximum, restricting the giving of each group. However, Adrian Randall, of the Charity Finance Directors Group, said: "We are disappointed that the lower limit was not reduced to £250 from £600, and removing the upper limit in a recession is not going to make much difference."

Vital help not given, say unions

By TIM JONES
EMPLOYMENT CORRESPONDENT

SEA-FARING unions claimed that the Budget proposal to extend tax relief to sailors working mainly overseas would do little to halt the "catastrophic decline" in the British shipping industry.

Lord Sterling, president of the General Council of British Shipping, said it was "extraordinary that the government, recognising the strategic requirement of the merchant fleet, has not introduced measures vital to rebuild the UK flagged fleet manned by British seafarers."

SHIPPING

The new measure means that British "deep sea" sailors can spend 183 days out of 365 at home without their foreign earnings being subject to UK tax. Previously, they were exempt for 90 days. Although the measure is designed to encourage UK ship-owners to employ more British crew members, the National Union of Marine, Aviation and Shipping Transport Officers said the Chancellor had ignored pleas from the union and ship-owners for tax concessions on shipbuilding programmes.

A spokesman said: "Since 1975 the number of British-registered ships has declined from 1,600 to 310 and the number of British seafarers from 75,000 to 15,000. This measure may halve the decline in the number of British seamen but will do nothing to prevent UK shippers continuing to use flags of convenience."

Missed chance to widen fuel price gap is decried

By KEVIN EASON
MOTORING CORRESPONDENT

PETROL

THE Chancellor was told last night that he had missed an opportunity to boost the green campaign by substantially widening the price differential between petrol and diesel fuel.

He added 4p a litre (18p a gallon) to four-star petrol and 3p a litre (13p a gallon) to unleaded and diesel fuels, taking the average four-star price up to about 48.9p a litre (222.1p a gallon), unleaded 44.9p (203.5p) and diesel to 42.9p (194.4p). The Automobile Association said that £54 on average would be added to the cost of private motoring over 8,000 miles.

The motor industry was deeply disappointed that the Chancellor did not create a wider differential between petrol and diesel to encourage the use of a fuel that offers 25 per cent more economy. That would have followed the precedent set in the rest of Europe, where diesel cars are favoured for being more economical than petrol-powered vehicles, leading to lower levels of pollutants and emmissions of carbon dioxide.

Diesel cars accounted for 6 per cent of last year's total new car sales of more than two million in Britain, compared with more than 30 per cent in France. However, diesel is also much cheaper in France than either leaded or unleaded petrol.

The latest check on international fuel prices by the AA showed that diesel on French garage forecourts was retailing at an average 183.8p a gallon (40.5p a litre) compared with 239.2p (52.7p) for unleaded and 245p (54p) for four-star leaded petrol. Norman Lamont, however, clearly feels that fuel is as cheap now as at any time in the past three decades and therefore open to be more heavily taxed so that the polluter pays through his greater fuel use.

Figures from Shell indicate that petrol in 1990 was cheaper in real terms than at any time since 1964. The Chancellor said that increasing petrol prices would force motorists to study their fuel costs and encourage them towards smaller-engined cars.

● The raising of the duties on petrol and Derv by 15 per cent is the first in what is likely to be a long series of rises in the price of energy over the next 15 years, as part of Britain's strategy of combating global warming by limiting the carbon dioxide produced by motor vehicles and power stations (Michael McCarthy writes).

It was foreshadowed in the environment white paper produced last autumn.

15% rise causes fear of job losses

By COLIN CAMPBELL

THE Chancellor raised tobacco duty by 15 per cent, well above the rate of inflation, adding 16p to the cost of a packet of 20 cigarettes and 8p on a packet of five small cigars. The Tobacco Advisory Council said the rise would push inflation up by 0.28 percentage points and lead to further job losses.

A pack of 20 Benson & Hedges (the country's largest selling cigarette brand) will go up from 180p to 196p, and the cost of five small cigars will rise from 146p to 154p. The increase in VAT to 17.5 per cent from April could push the cost of 20 cigarettes towards £2 a packet.

The tobacco council said the higher duties were "very disappointing" and the Chancellor had ignored the consequences for employment and jobs.

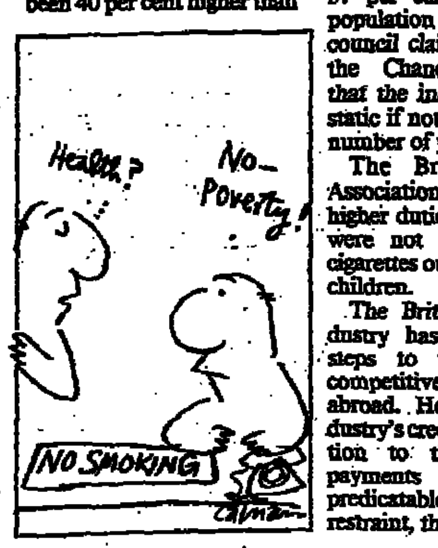
The government's total excise and VAT collection from the sale of one packet of 20 cigarettes at 196p now rises to 75 per cent of the retail price. It received 73 per cent of the cost of a packet sold at 180p. Brendan Brady, of the advisory council, said the higher prices would lead to increased imports of cheaper cigarettes and would not deter people from smoking.

Tobacco is already the largest single contribution made by consumers to the government tax coffers. In 1989 tobacco sales gave £6,068 million of tax to the government, compared with £6.065 million in 1988. Tax receipts from the tobacco industry exceed those generated from oil.

The council said yesterday that since tobacco has a 3.4 points weighting in the calculation of the Retail Price Index, a 10p change in the cigarette price adds 0.175 points to the rate of inflation. The industry claims that it is already over-taxed, subject to severe fiscal discrimination, and that excise duties levied since 1979 have been disproportionately high when compared with other exciseable goods that can be levied.

The price compilation of a typical 196p packet is 80.3p specific duty, 41.16p ad valorem, and 25.57p VAT at 15 per cent. The remainder is covered by manufacturing and distribution costs and margins, and wholesale and retail earnings.

The rate of tax increases on cigarettes since 1979 has been 40 per cent higher than that required to keep pace with inflation. The number of people employed in the tobacco industry has fallen steadily. In 1979 Britain's tobacco industry employed 40,000, but by 1991 the figure had fallen to 14,500 and the council is predicting more losses in 1991, and could be headed for 13,000.



The number of "sticks" (cigarettes) sold in 1989 was 97 billion, and an estimated 37 per cent of the adult population smokes. The council claims, contrary to the Chancellor's speech, that the industry has been static if not in decline for a number of years.

The British Medical Association welcomed the higher duties, but said they were not enough to put cigarettes out of the reach of children.

The British tobacco industry has taken various steps to try to remain competitive at home and abroad. However, the industry's creditable contribution to the balance of payments depends on a predicatable policy of fiscal restraint, the council says.

Freeze on regular increase in standard rate for married couples

By Lindsay Cook
Money Editor

ALLOWANCES

PERSONAL tax allowances will be increased in line with inflation with the exception of the standard married couple's allowance, the additional personal allowance paid to single parents and the widow's bereavement allowance, which remain unchanged.

The allowances, which determine how much a person can earn each year before paying tax, will be raised by 9.4 per cent to 9.8 per cent.

The threshold for the higher rate of 40 per cent was increased by £1,000 more than required by indexation to £23,700 — an increase of £3,000.

The income tax changes mean that most taxpayers will pay £1.39 a week less tax. These reductions should be included in the first pay packets after May 17.

The standard personal allowance for all people under 65 is increased by £290 to £3,295. This is an increase of 9.7 per cent.

The married couple's allowance, which is given to husbands, remains at £1,720, as does the additional personal allowance and widow's bereavement allowance.

The personal allowance for people aged 65 to 74 year is increased by £350 to £4,020 and the allowance for those over 75 rises to £4,180. The married couple's allowance for 65 to 74 year olds is increased by £210 to £2,355. The married couple's allowance for those over 75 is also increased by £210 to £2,395. The total cost to the Revenue of the increases will be about £2 billion in 1991-2.

The freezing of the standard married couple's allowance will save £360 million in 1991-2 and £490 million in 1992-3. The income limit for age allowance is increased by £1,200 to £13,500.

Personal tax allowances have been indexed to the inflation rate since 1977. The Labour MPs Jeff Rooker and Audrey Wise forced an amendment on the government which has guaranteed the index-linking of the allowances in every Budget except that in 1981. The government can, however, override the amendment and freeze all or some allowances.

The Rooker-Wise amendment specifies the allowances should be linked to the inflation rate in the previous December. Last year that was 9.3 per cent, which would have given a single person's and married woman's allowance of £3,275.

Married men would have been able to earn £5,164 when the married couple's allowance was taken into account. The freezing of that allowance means that they will be able to earn £5,015.

Most single people and married women between 65 and 74 should be £1.68 a week better off and those over 75 £1.73 a week better off.

Married men pensioners up to 75 will be £2.69 a week better off. Over 75 the gain should be £2.74 a week.

The increases in the basic rate limit and the allowances means that single people and married women with an income of over £26,995 will pay £10.88 a week less tax. Married men with an income over £28,715 will also be £10.88 a week better off.

Just over half of the higher rate taxpayers have mortgages and will be hit by the abolition of higher rate tax relief on mortgage interest. This will work out at £11.90 a week on a £30,000 mortgage when the mortgage rate is 13.75 per cent.

PERSONAL TAX ALLOWANCES

	1991-92 £	1990-91 £
Basic rate income tax	25%	25%
Higher rate income tax	40%	40%
Basic rate limit	23,700	20,700
Personal allowance	3,295	3,005
Personal allowance (age 65-74)	4,020	3,670
Personal allowance (age 75 and over)	4,180	3,820
Married couple's allowance, additional personal allowance and widow's bereavement allowance	1,720	1,720
Married couple's allowance:		
Age 65-74	2,355	2,145
Age 75 and over	2,395	2,185
Income limit for age-related allowance	13,500	12,300

Welcome news: Susan Hunt at home in Devon with her daughters Samantha (left) and Clare

Caring way to the purse of a single parent

By David Young

SUSAN Hunt, aged 44, a single parent, of Gammaton, Devon, estimates that the Budget will leave her slightly better off, although any cut in interest rates would have little affect as her £30,000 mortgage is on a fixed rate until next October. The changes in personal tax bands will benefit her as a single person for tax purposes, since she earns £250 a week as an operator and quality inspector in a plastic moulding factory.

She is a non-smoker and non-drinker, so excise duty increases will make no difference to the family budget, and as she drives an economical 950cc car at a low annual mileage, dearer petrol will hardly affect her. She also receives £5.65 single-parent benefit, £7.25 child benefit for her 16-year-old daughter who is at college, and her 18-year-old daughter, who has been unemployed since completing O levels, receives £28 a week income support.

The April and autumn increase in child benefit allowance will bring in £2 a week. The biggest benefit will come in the predicted £140 fall in the local community charge, but that will be outweighed by increased VAT. "The Budget seems to show that the government has become more caring," she said.

Unhappy verdict from pensioners

By Bill Frost

WANDSWORTH

ERNEST and Ena Brown, a married couple in their eighties from Wandsworth, south-west London, began watching the Chancellor's Budget speech with a clear list of priorities. They wanted lower food prices, higher duty on alcohol and tobacco, and a cut in interest rates to help young home-buyers. "Higher pensions would be welcome too," said Mrs Brown. When Mr Lamont sat down the Browns were less than impressed.

"This is not very encouraging," said Mr Brown. The couple welcomed the 15 per cent increase in tobacco duty but said it should have been higher to discourage smokers. The Chancellor had also been too lenient on drinkers. "Drink is still very cheap in real terms. It is a luxury, and people will pay for it; that is a way of raising revenue," said Mr Brown.

The couple thought the Chancellor had been "stingy" over pensions. "He could have put them up a bit more, after all we pay tax for long enough," said Mrs Brown. Ernest Brown's jaw dropped at the announcement that VAT was to rise by 2.5 per cent. "Prices will just keep on rising now. The budget won't help business, the pensioner or the first-time house-buyer. If this was a pre-election budget aimed at vote-catching, it has failed miserably." Ena Brown said: "The sting really was in the tail with this VAT increase. It is just going to put everything up."

CHILD BENEFIT

Families to get rise in October

By Jill Sherman
Social Services Correspondent

THE Chancellor took people by surprise yesterday when he announced further rises in child benefit of £1 for the first child and 25p for other children from October. The mid-year rises, which follow an increase of £1 for the eldest child from next month, will raise benefit for the first child to £9.25 and for other children to £7.50.

Mr Lamont's announcement follows months of speculation that the government would modify child benefit or replace it with child tax allowances. The Chancellor promised that the benefit would be increased in line with inflation "next April and in subsequent years". His promise suggests that the government is unlikely to abolish the benefit, although it will retain the weighting towards the first child, which was announced last year.

The Chancellor said that the changes reflected a widespread view that more should be done to help families with children. The increases would be financed from the revenue saved by not increasing the married couples' allowance.

He said that some people had supported the reintroduction of child tax allowances. "I have looked at that option carefully but I am clear, especially following the introduction of independent taxation, that it would not be an effective way of channelling resources to those who need them. A better way of directing help straight into the pockets of mothers, whether they choose to work or not, is child benefit. It goes to all families, to the children of non-taxpayers as well as the children of taxpayers."

Save Child Benefit, a coalition of 90 organisations campaigning for the retention of a universal benefit, said: "We are pleased that the government has recognised the advantages of child benefit over child tax allowances."

MARRIED COUPLE, BOTH WORKING, ONE CHILD

20,000 MORTGAGE	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife
GROSS ANNUAL INCOME	12,500	12,500	12,500	12,500	21,000	14,000	21,000	14,000	27,000	18,000	27,000	18,000	45,000	30,000	45,000	30,000
– Personal allowance	5,015	3,295	4,725	3,005	5,015	3,295	4,725	3,005	5,015	3,295	4,725	3,005	5,015	3,295	4,725	3,005
– Mortgage interest	1,375	1,375	1,500	1,500	1,375	1,375	1,500	1,500	2,750	0	3,000	0	1,375	1,375	1,500	1,500
Taxable income	7,485	9,205	7,775	9,495	15,985	10,705	16,275	10,995	21,985	14,705	22,275	14,995	39,985	26,705	40,275	26,995
Tax thereon	1,871	2,301	1,944	2,374	3,996	2,676	4,069	2,749	5,496	3,676	5,805	3,749	12,439	7,127	13,005	7,693
Higher rate mortgage relief	0	0	0	0	0	0	0	0	0	0	236	0	0	0	225	225
NI contributions	*936*	*936*	*958*	*958*	*1,636*	*1,071*	*1,471*	*1,093*	*1,636*	*1,431*	*1,471*	*1,453*	*1,636*	*1,636*	*1,471*	*1,471*
+ Child benefit	0	455	0	377	0	455	0	377	0	455	0	377	0	455	0	377
NET INCOME	9,693	9,718	9,598	9,545	15,368	10,708	15,460	10,535	19,866	13,348	19,960	13,175	30,925	21,692	30,749	21,438
JOINT NET INCOME		19,411		19,143		26,076		25,995		33,214		33,135		52,617		52,187
% tax reduction		3.38				2.14				1.56				3.37		

40,000 MORTGAGE	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife
GROSS ANNUAL INCOME	12,500	12,500	12,500	12,500	21,000	14,000	21,000	14,000	27,000	18,000	27,000	18,000	45,000	30,000	45,000	30,000
– Personal allowance	5,015	3,295	4,725	3,005	5,015	3,295	4,725	3,005	5,015	3,295	4,725	3,005	5,015	3,295	4,725	3,005
– Mortgage interest	2,750	2,750	3,000	3,000	2,750	2,750	3,000	3,000	5,500	0	6,000	0	2,750	2,750	3,000	3,000
Taxable income	7,485	9,205	7,775	9,495	15,985	10,705	16,275	10,995	21,985	14,705	22,275	14,995	39,985	26,705	40,275	26,995
Tax thereon	1,871	2,301	1,944	2,374	3,996	2,676	4,069	2,749	5,496	3,676	5,805	3,749	12,439	7,127	13,005	7,693
Higher rate mortgage relief	0	0	0	0	0	0	0	0	0	0	236	0	0	0	338	338
NI contributions	936	936	958	958	1,636	1,071	1,471	1,093	1,636	1,431	1,471	1,453	1,636	1,636	1,471	1,471
+ Child benefit	0	455	0	377	0	455	0	377	0	455	0	377	0	455	0	377
NET INCOME	9,693	9,718	9,598	9,545	15,368	10,708	15,460	10,535	19,866	13,348	19,960	13,175	30,925	21,692	30,861	21,559
JOINT NET INCOME		19,411		19,143		26,076		25,995		33,214		33,135		52,617		52,411
% tax reduction		3.38				2.14				1.56				2.28		

MARRIED COUPLE, 65-74

NO MORTGAGE	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife
INCOME (PENSIONS)	8,375	1,625	8,534	1,466	11,145	1,625	11,034	1,466	13,375	1,625	13,534	1,466	18,375	1,625	18,534	1,466
Personal allowance	6,375	4,020	5,815	3,670	6,375	4,020	5,815	3,670	6,375	4,020	5,198	3,670	5,015	4,020	4,725	3,670
Taxable income	2,000	0	2,719	0	4,770	0	5,219	0	7,000	0	8,336	0	13,360	0	13,809	0
Tax thereon	500	0	680	0	1,193	0	1,305	0	1,750	0	2,084	0	3,340	0	3,452	0
NET INCOME	7,875	1,625	7,854	1,466	9,952	1,625	9,729	1,466	11,625	1,625	11,450	1,466	15,035	1,625	15,081	1,466
JOINT NET INCOME		9,500		9,320		11,577		11,195		13,250		12,916		16,660		16,547
% Tax reduction		26.47				8.58				16.03				3.24		
INCOME (PENSIONS)	8,375	1,625	8,534	1,466	11,145	1,625	11,034	1,466	13,375	1,625	13,534	1,466	18,375	1,625	18,534	1,466
Investment income	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	9,000	6,000	9,000	6,000
Personal allowance	5,938	4,020	4,725	3,670	5,015	4,020	4,725	3,670	5,015	4,020	4,725	3,670	5,015	4,020	4,725	3,670
Taxable income	8,437	1,605	9,809	1,796	12,130	1,605	12,309	1,796	14,360	1,605	14,809	1,796	22,360	3,605	22,809	3,796
Tax thereon	2,109	401	2,452	449	3,033	401	3,077	449	3,590	401	3,702	449	5,590	901	6,019	949
NET INCOME	12,265	5,223	12,081	5,017	14,112	5,223	13,956	5,017	15,785	5,223	15,831	5,017	21,785	6,724	21,515	6,517
JOINT NET INCOME		17,488		17,098		19,336		18,973		21,008		20,848		28,509		28,032
% Tax reduction		13.48				2.61				3.85				6.84		

MARRIED COUPLE, OVER 75

NO MORTGAGE	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife	1991-92 Husband	1991-92 Wife	1990-91 Husband	1990-91 Wife
INCOME (PENSIONS)	8,375	1,625	8,534	1,466	11,145	1,625	11,034	1,466	13,375	1,625	13,534	1,466	18,375	1,625	18,534	1,466
– Personal allowance	6,575	4,180	6,005	3,820	6,575	4,180	6,005	3,820	6,575	4,180	5,388	3,820	5,015	4,180	4,725	3,820
Taxable income	1,800	0	2,529	0	4,570	0	5,029	0	6,800	0	8,146	0	13,360	0	13,809	0
Tax thereon	450	0	632	0	1,143	0	1,257	0	1,700	0	2,037	0	3,340	0	3,452	0
NET INCOME	7,925	1,625	7,901	1,466	10,002	1,625	9,778	1,466	11,675	1,625	11,497	1,466	15,035	1,625	15,081	1,466
JOINT NET INCOME		9,550		9,367		11,627		11,242		13,300		12,963		16,660		16,547
% Tax reduction		28.79				9.06				16.54				3.25		
INCOME (PENSIONS)	8,375	1,625	8,534	1,466	11,145	1,625	11,034	1,466	13,375	1,625	13,534	1,466	18,375	1,625	18,534	1,466
+ Investment income	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	6,000	4,000	9,000	6,000	9,000	6,000
– Personal allowance	6,138	4,180	4,888	3,820	5,015	4,180	4,725	3,820	5,015	4,180	4,725	3,820	5,015	4,180	4,725	3,820
Taxable income	8,238	1,445	9,646	1,646	12,130	1,445	12,309	1,646	14,360	1,445	14,809	1,646	22,360	3,445	22,809	3,646
Tax thereon	2,059	361	2,412	412	3,033	361	3,077	412	3,590	361	3,702	412	5,590	861	6,019	912
NET INCOME	12,315	5,263	12,122	5,054	14,112	5,263	13,956	5,054	15,785	5,263	15,831	5,054	21,785	6,763	21,515	6,554
JOINT NET INCOME		17,578		17,176		19,375		19,010		21,048		20,885		28,548		28,069
% Tax reduction		14.30				2.72				3.96				6.12		

SINGLE PERSON, OVER 75

NO MORTGAGE	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
GROSS ANNUAL INCOME	10,000	10,000	15,000	15,000	20,000	20,000
– Personal allowance	4,180	3,820	3,430	3,005	3,295	3,005
– Taxable income	5,820	6,180	11,570	11,995	16,705	16,995
Tax thereon	1,455	1,545	2,893	2,999	4,176	4,249
NET INCOME	8,545	8,455	12,107	12,001	15,823	15,751
% Tax reduction	5.83		3.54		1.71	
GROSS ANNUAL INCOME	10,000	10,000	15,000	15,000	20,000	20,000
+ Investment income	15,000	15,000	15,000	15,000	15,000	15,000
– Personal allowance	3,295	3,005	3,295	3,005	3,295	3,005
Taxable income	21,705	21,995	26,705	26,995	31,705	31,995
Tax thereon	5,426	5,693	7,127	7,693	9,127	9,693
NET INCOME	19,573	19,307	22,873	22,307	25,873	25,307
% Tax reduction	4.69		7.36		5.84	

[illegible]

£20,000 MORTGAGE	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
GROSS ANNUAL INCOME	10,000	10,000	20,000	20,000	30,000	30,000
– Personal allowance	3,295	3,005	3,295	3,005	3,295	3,005
– Mortgage interest	2,750	3,000	2,750	3,000	2,750	3,000
Taxable income	6,705	6,995	16,705	16,995	26,705	26,995
Tax thereon	1,676	1,749	4,176	4,249	7,127	7,693
Higher rate mortgage relief	0	0	0	0	0	450
NI contributions	711	733	1,611	1,471	1,636	1,471
NET INCOME	7,613	7,518	14,213	14,280	21,237	21,286
% Tax reduction	4.17		1.71		1.60	

£40,000 MORTGAGE	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
GROSS ANNUAL INCOME	10,000	10,000	20,000	20,000	30,000	30,000
– Personal allowance	3,295	3,005	3,295	3,005	3,295	3,005
– Mortgage interest	5,500	6,000	5,500	6,000	5,500	6,000
Taxable income	6,705	6,995	16,705	16,995	26,705	26,995
Tax thereon	1,676	1,749	4,176	4,249	7,127	7,693
Higher rate mortgage relief	0	0	0	0	0	675
NI contributions	711	733	1,611	1,471	1,636	1,471
NET INCOME	7,613	7,518	14,213	14,280	21,237	21,511
% Tax reduction	4.17		1.71		-1.55	

SINGLE PARENT, TWO CHILDREN

£20,000 MORTGAGE	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
GROSS ANNUAL INCOME	10,000	10,000	20,000	20,000	30,000	30,000
– Personal allowance	5,015	4,725	5,015	4,725	5,015	4,725
– Mortgage interest	2,750	3,000	2,750	3,000	2,750	3,000
Taxable income	4,985	5,275	14,985	15,275	24,985	25,275
Tax thereon	1,246	1,319	3,746	3,819	6,439	7,005
Higher rate mortgage relief	0	0	0	0	0	450
NI contributions	711	733	1,611	1,471	1,636	1,471
+ Child benefit	839	754	839	754	839	754
NET INCOME	8,882	8,702	15,482	15,464	22,764	22,728
% Tax reduction	5.53		1.91		1.77	

£40,000 MORTGAGE	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
GROSS ANNUAL INCOME	10,000	10,000	20,000	20,000	30,000	30,000
– Personal allowance	5,015	4,725	5,015	4,725	5,015	4,725
– Mortgage interest	5,500	6,000	5,500	6,000	5,500	6,000
Taxable income	4,985	5,275	14,985	15,275	24,985	25,275
Tax thereon	1,246	1,319	3,746	3,819	6,439	7,005
Higher rate mortgage relief	0	0	0	0	0	675
NI contributions	711	733	1,611	1,471	1,636	1,471
+ Child Benefit	839	754	839	754	839	754
NET INCOME	8,881	8,702	15,482	15,464	22,764	22,953
% Tax reduction	5.53		1.91		-1.72	

[illegible] WORKING WIFE, TWO [illegible]

£20,000 MORTGAGE	'91-92	'90-91	'91-92	'90-91	'91-92	'90-91	'91-92	'90-91
GROSS ANNUAL INCOME	20,000	20,000	30,000	30,000	40,000	40,000	60,000	60,000
– Personal allowance	5,015	4,725	5,015	4,725	5,015	4,725	5,015	4,725
– Mortgage interest	2,750	3,000	2,750	3,000	2,750	3,000	2,750	3,000
Taxable income	14,985	15,275	24,985	25,275	34,985	35,275	54,985	55,275
Tax thereon	3,746	3,819	6,439	7,005	10,439	11,005	18,439	19,005
Higher rate mortgage relief	0	0	0	450	0	450	0	450
NI contributions	1,611	1,471	1,636	1,471	1,636	1,471	1,636	1,471
+ Child benefit	839	754	839	754	839	754	839	754
NET INCOME	15,481	15,464	22,763	22,728	28,763	28,728	40,763	40,728
% Tax reduction	1.90		1.77		1.10		0.83	

£40,000 MORTGAGE	'91-92	'90-91	'91-92	'90-91	'91-92	'90-91	'91-92	'90-91
GROSS ANNUAL INCOME	20,000	20,000	30,000	30,000	40,000	40,000	60,000	60,000
– Personal allowance	5,015	4,725	5,015	4,725	5,015	4,725	5,015	4,725
– Mortgage interest	5,500	6,000	5,500	6,000	5,500	6,000	5,500	6,000
Taxable income	14,985	15,275	24,985	25,275	34,985	35,275	54,985	55,275
Tax thereon	3,746	3,819	6,439	7,005	10,439	11,005	18,439	19,005
Higher rate mortgage relief	0	0	0	675	0	675	0	675
NI contributions	1,611	1,471	1,636	1,471	1,636	1,471	1,636	1,471
+ Child benefit	839	754	839	754	839	754	839	754
NET INCOME	15,481	15,464	22,763	22,953	28,763	28,953	40,763	40,953
% Tax reduction	1.90		-1.72		-1.06		-0.59	

SINGLE PERSON, 65-74

NO MORTGAGE	1991-92	1990-91	1991-92	1990-91	1991-92	1990-91
GROSS ANNUAL INCOME	10,000	10,000	15,000	15,000	20,000	20,000
– Personal allowance	4,020	3,670	3,295	3,005	3,295	3,005
Taxable income	5,980	6,330	11,705	11,995	16,705	16,995
Tax thereon	1,495	1,583	2,926	2,999	4,176	4,249
NET INCOME	8,505	8,417	12,073	12,001	15,823	15,751
% Tax reduction	5.56		2.43		1.71	
GROSS ANNUAL INCOME	10,000	10,000	15,000	15,000	20,000	20,000
+ Investment income	15,000	15,000	15,000	15,000	15,000	15,000
– Personal allowance	3,295	3,005	3,295	3,005	3,295	3,005
Taxable income	21,705	21,995	26,705	26,995	31,705	31,995
Tax thereon	5,426	5,693	7,127	7,693	9,127	9,693
NET INCOME	19,573	19,307	22,873	22,307	25,873	25,307
% Tax reduction	4.69		7.36		5.84	

Figures compiled by KPMG Peat Marwick McLintock

The following assumptions have been made in the calculation of these figures: [1] Mortgage interest is paid under Miras. [2] Mortgage interest is allocated equally except where more beneficial to allocate otherwise. [3] Retired married wives are assumed to receive only state pension. Husband's income reduced to take account of increase in wife's pension for 1991-92 for comparison purposes. [4] All calculations are rounded to nearest pound. [5] Class I National Insurance contributions (not contracted out).

مكرر عن الاصول

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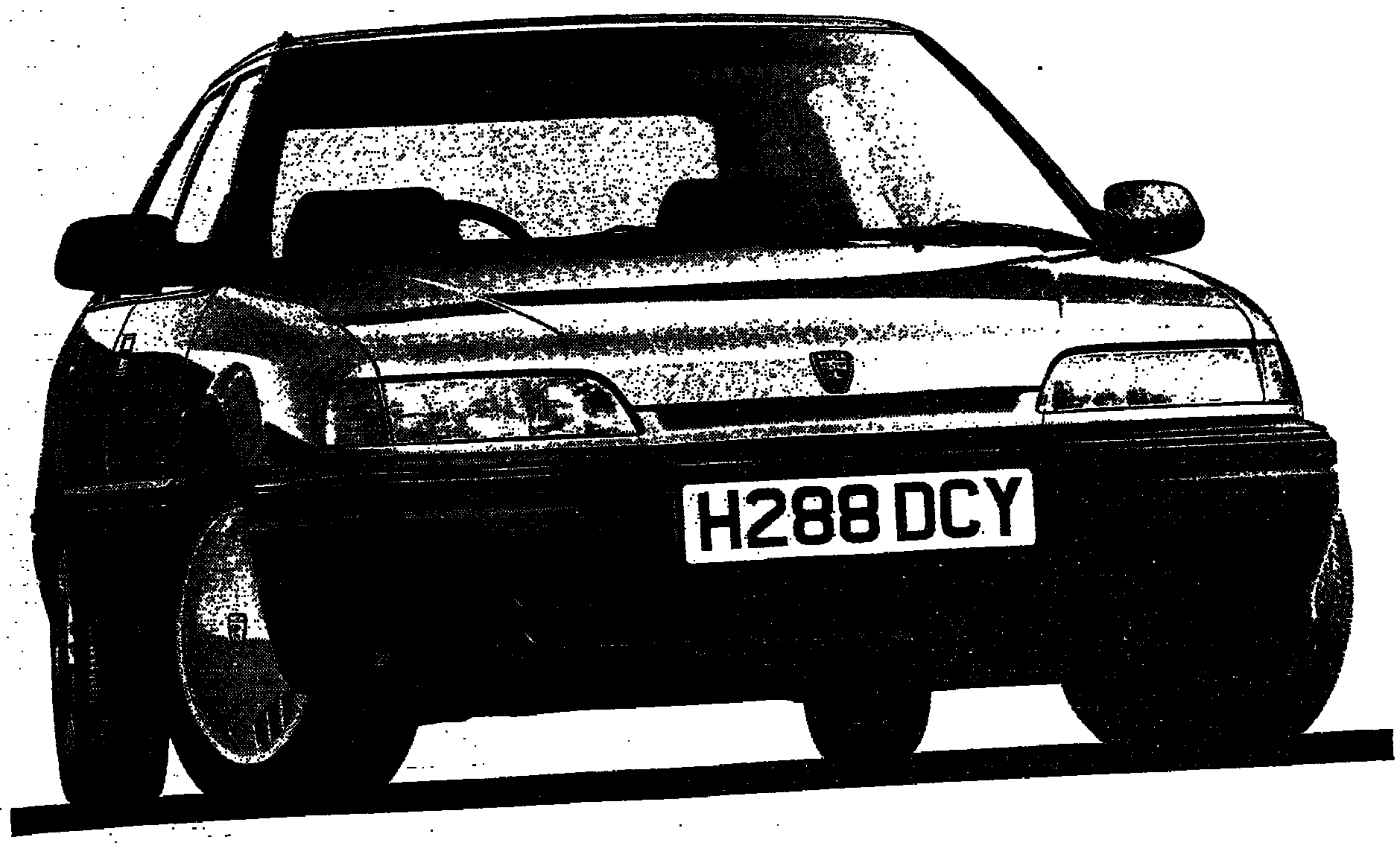

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'Above all, a Budget for business'

THE Chancellor of the Exchequer, Norman Lamont, said in his Budget statement:

Like, I suspect, most chancellors, I have found the preparation of this, my first Budget, very exciting but also a bit intimidating.

As usual, I have read a huge amount of speculation in the press over the last few weeks about the contents of the Budget. I have also learnt some new things about myself.

For example, I was surprised last Wednesday to read that I am almost as well known as Desert Orchid — and I have not yet run in the Gold Cup.

Actually, Desert Orchid and I have a lot in common. We are both greys; vast sums of money are riding on our performance; the Opposition hopes we will fall at the first fence; and we are both carrying too much weight.

ENTERPRISE

Chancellors praised

The crucial difference is that chancellors are never favourites. Particularly, perhaps, Scottish chancellors. After all, as Ogden Nash put it: "no McTavish is ever lavish".

But I have had the advantage of serving at the Treasury under two chancellors: the prime minister, who last year delivered a notable Budget for savers, and before that Mr Nigel Lawson. If the House will allow me one personal observation, working for Mr Lawson was always stimulating and I am very grateful for his encouragement and friendship over the years. My admiration and respect for him remain undimmed.

I intend to carry forward their work. My central economic aim is to bring inflation down and keep it down. Beyond that, my objective is to encourage enterprise by creating a broadly based tax system that allows markets to do their job with the minimum of distortion and government interference.

While there is no scope this year for an overall reduction in taxes, my Budget today will include measures to help business through the recession in the short term and to encourage them to invest for the longer term. It will provide assistance for families. It will also further the process of tax reform and make some radical changes in the tax system.

However, as usual I shall begin with a review of the economic situation and prospects. I shall then deal with monetary policy and the public finances. Finally, I will present my tax proposals.

PROSPECTS

Production has fallen

I turn first to international developments.

The past year has brought recession to a number of major industrial countries including the US, Canada and Australia. Growth in Germany has been sustained by reunification; but elsewhere in Europe activity has slowed and industrial production has fallen in recent months in Spain, Italy and France. In five out of the seven leading industrial nations industrial output is now lower than it was a year ago.

The basic cause is the same everywhere: very rapid growth in the industrialised world during the Eighties led to the re-emergence of inflationary pressures. A period of slower growth was needed to stop inflation taking hold again.

In the autumn, the slowdown was magnified by the Gulf crisis. Business and consumer confidence was badly dented first by the uncertainties and the sharp rise in oil prices that followed the invasion of Kuwait, and then by the prospect of war. Travel and tourism were especially hard hit.

Mercifully, the war was brief and the outcome successful. Confidence is recovering and that will strengthen the economic upturn when the time comes. And the fall in oil prices has already improved the outlook for inflation.

So while 1991 as a whole will show little growth in the seven major economies, a half per cent increase in industrial production compared to 5.75 per cent in 1988, the slowdown is unlikely to last long.

Inflation is already moderating in those countries which are in recession. And activity should start to recover later this year in North America, helped by continued expansion in Germany and Japan.

In the UK the recession came after eight years of growth averaging 3 per cent a year.

This sustained growth bred confidence and that in turn led to a quite unprecedented rise in borrowing. Personal borrowing increased by nearly 40 per cent in 1988 alone, to reach £54 billion — and a new record for the ratio of debt to income. This produced a sharp drop in the personal saving ratio which coincided with a massive boom in investment by companies. In itself the rise of investment — nearly 80 per cent between 1981 and 1989 — was welcome. But the economy could not go on expanding at that rate. Some firms and individuals became over-extended. And we saw a deterioration in the current account, and a wholly unwelcome rise in inflation.

It is easy, with the benefit of hindsight, to see that policy should have been tighter. And once the problem became clear, policy was tightened. We ran a large budget surplus, interest rates were raised, and they had to stay high until there were unmistakable signs that excess demand pressure had been removed.

This took longer than we, or outside commentators, expected. And the delay meant that the adjustment, when it came, was all the sharper.

Since the middle of last year, individuals and companies have been taking steps to reduce their borrowing.

BUSINESS

Debt burden proved heavy

Consumer spending has fallen back, and the saving ratio has risen sharply to 10.8 per cent. Firms have found it hard going. Profits have weakened, caught in the pincer of low turnover and rising costs. And the burden of debt taken on in the late Eighties has proved a heavy one.

So it is not surprising that business investment has fallen from the heights of 1989 and early 1990. Stocks are now being reduced, and companies are making strenuous efforts to cut costs. This has led to a sharp increase in unemployment in recent months, though there are welcome signs that firms are continuing to invest in skills and training. I expect output in 1991 as a whole to be about 2 per cent less than in 1990. Much of that fall, of course, has already happened. It is largely behind us and, as I shall be explaining in a moment, the resumption of growth should not be long delayed.

The process of retrenchment has been painful, as it always is. But it has been necessary and is now producing results. The current account deficit has improved sharply — especially the balance on manufactures — even though world trade has been weak. Imports have fallen, while exports in some sectors (notably cars) have continued to grow strongly — testimony to the fact that industry is immeasurably better placed today than it was ten years ago.

And no one can doubt that inflation is on the way down. We have already seen a fall of two percentage points since the peak last October. And there is widespread agreement that the fall in inflation will continue through 1991 and into 1992.

Indeed the prospects are now better than they seemed at the time of the Autumn Statement.

The February survey by the CBI showed the balance of firms expecting to increase prices was at its lowest level ever. The forecast published today, taking account of the effect of the Budget measures, is for inflation to fall to an average of 4 per cent in the last quarter of this year and below 4 per cent in the first half of 1992. The prospect, therefore, is that we will narrow the inflation gap with Europe remarkably quickly.

In the mid-Eighties we did get inflation briefly below 4 per cent and we saw the advantages that followed. We are about to do so again, and again we will reap the benefits. For lower inflation, and the lower interest rates that go with it, will be a powerful force for recovery.

One of the lessons I have learnt from years of grappling with economic statistics, is that it is difficult to be certain about the past let alone about the future. And it is always particularly difficult to predict the timing of turning points in the economy. But there are good reasons to expect that the recovery will begin around the middle of this year, although initially it may be slow.

CONFIDENCE

War's end to aid revival

As we found ten years ago, confidence revives as inflation comes down. This time, the ending of the Gulf war will give the revival an added boost. Just as falling consumer spending contributed to the onset of recession, so returning consumer confidence is likely to lead the recovery. At the same time, the reduction of stocks is likely to slow and the UK will benefit from the upturn in the US and elsewhere in the world.

Delighting the cabinet: the Chancellor delivering his Budget speech yesterday flanked by a happy John Major

As a result, I expect output to stabilise in the next few months and then increase by about 2 per cent between the first half of this year and the first half of 1992.

Looking further ahead, our projections show growth of about 3 per cent a year as the economy recovers further.

The easing of demand pressures has already brought a marked improvement in our current account. As the House will have noticed there can be lags not just between policies and their effects but between the effects in the real world and their appearance in the official statistics. As a result of the recent revisions of the figures for invisible imports and exports, the current account deficit for last year is now estimated at under £13 billion, £2 billion less than forecast at the time of last year's Budget.

This year I expect the deficit to be halved to £6 billion, about 1 per cent of national income.

Regrettably, unemployment is likely to go on rising for a while yet, even after the recovery has started. How far and how fast it rises will depend in part on the speed with which pay settlements come down. And come down they must — eventually — to the levels prevailing in other ERM countries. There is no escape route through devaluation, and firms know this.

Fortunately a sharp fall in inflation is in prospect. And the reforms we have introduced over the past decade have led to more pay flexibility. Some firms have already deferred pay settlements or agreed pay pauses. The more firms that follow their lead, the sooner we can reverse the trend in unemployment, and start creating jobs again.

To sum up, the prospect for the year ahead is for an end to the recession, growth of about 2 per cent in the 12 months to the first half of 1992, and inflation below 4 per cent. This does not seem to me an unpromising outlook.

For the longer term there is every reason to be optimistic about the UK in the Nineties. Recessions are always painful. But they are an inescapable feature of market economies — and they are temporary. Longer-term growth depends on having a thriving competitive private sector. That we now have, thanks to the reforms of the past ten years. If I may confess it, I do not believe in miracles but I do believe that the right policies courageously and consistently applied year by year can produce a transformation in an economy and that is what happened in the Eighties.

So we can now build on real achievements: a record number of new businesses, faster growth in manufacturing productivity than in any major industrialised country, and faster growth in investment than in any of those countries except Japan. These achievements have helped us over the past seven years maintain our share of world trade, after 30 years of decline. They made the Eighties the first decade since the war when the UK grew faster than Germany and France.

INFLATION

Concern for the future

There is one proviso — and it is a crucial one. We must get inflation down. And this time we must keep it down.

For the over-riding lesson of the past few years is that the battle against inflation is never won. It is fatally easy to miss the warning signs. And hard decisions have few friends.

The costs of even a temporary reverse are high. Squeezing out inflation means high interest rates, frustrated hopes, bankruptcies and lost jobs.

But the costs of living with inflation are even higher — as those who remember the Seventies know only too well. Inflation makes our industry uncompetitive; it destroys savings; it creates uncertainty and strife. And a high rate of inflation can quickly get out of control. High rates of inflation are never stable.

Frankly, after the experience of recent years, it surprises me how many people are urging me to let up on inflation. It may not seem much of a threat for the next six or 12 months. But I am concerned with the year after that and the rest of the decade.

The Government's decision to join the exchange rate mechanism last October provides a more secure framework for combating inflation in the future. That is its real significance. Linking sterling to other currencies with a proven track record of low inflation will be an added discipline on monetary policy.

We committed ourselves to that discipline after lengthy debate and our decision was widely supported on both sides of the House, and in the country at large.

The time has now come to apply ourselves wholeheartedly to the task of making our membership a success.

So far it has been. Sterling has traded comfortably within its band during a difficult period. The sterling index is much where it was just before ERM entry. And our patient approach has meant that recent reductions in interest rates have been well received by the markets. They have recognised that they are consistent with our ERM obligations, as well as fully justified by domestic developments.

MONEY TARGET

Commitment to ERM stays

Our entry into the ERM means that I have had to reassess the role of domestic indicators in guiding monetary policy. It should go without saying that interest rates will be set to honour our commitment to stay within the ERM band. But there is still a most important role for a domestic monetary target. All the major countries within the ERM take the same view.

Over the past year, M0 — the narrow measure of money — has continued to provide timely evidence of monetary developments. Its annual rate of growth has been on a downward trend since last May. Since August it has been within its target range of 1 to 5 per cent. For the year ahead I propose to set a new, slightly lower target range of 0 to 4 per cent. This is consistent with my determination to exert further downward pressure on inflation.

I shall also continue to watch closely other indicators of monetary conditions, especially the M4 measure of broad money, and asset prices. There should be no sustained conflict between domestic monetary indicators and our ERM obligations.

By far the best way of minimising the risk that such conflicts will arise in the future is to build up credibility within the ERM. The policies that are necessary to defeat inflation and to sustain the exchange rate are the same.

For the time being I have no plans to move to a narrow ERM band. That remains, of course, our longer-term intention. But the timing of the move must depend on the progress we make in reducing inflation.

I come now to the public sector finances. Over the Eighties, my predecessors transformed our public finances and made them the envy of my fellow finance ministers throughout the world. They first reduced and then eliminated our budget deficit. And in the last three years they repaid £26 billion of debt. The ratio of public sector debt to GDP has been reduced from 50 per cent in 1979 to under 30 per cent now to the benefit of this and future generations.

I am not going to fritter that legacy away. The firm control of public expenditure remains at the centre of our strategy. And I will continue to aim for budget balance in the medium term. It is a simple rule which is well understood and requires the government to finance its spending honestly.

FISCAL POLICY

Swings can be tolerated

Our entry into the ERM does not alter the requirement for fiscal policy to buttress monetary policy, and play its part in curbing inflation. So sound public finances will remain central to our strategy for the 1990s.

However, it is one of the more reliable laws of economics — not that there are many — that the budget balance varies markedly over the economic cycle. When activity is growing strongly, tax revenues rise relative to income and lower unemployment brings lower social security payments. We saw this in operation in the late Eighties when we ran large budget surpluses.

Those forces go into reverse when the economy slows down. This is why the budget surplus has shrunk over the past two years, and why we are now likely to see the temporary re-emergence of a Public Sector Borrowing Requirement.

These cyclical swings in the budget balance can play a useful role in offsetting the swings in private sector borrowing, and in stabilising the economy. They come about automatically, without the need for difficult judgments about the state of the economy. And it is entirely consistent with the medium-term approach I have already outlined to tolerate these swings in the fiscal position. But I am not persuaded of the case for going beyond that.

In 1990-1 the government's finances have been affected both by the onset of the recession and by the Gulf War. However, as a result of the assistance we have received from our allies, the net effect of the war on the PSBR has not been as great as we feared. And the outturn on the public expenditure planning total is expected to be a little lower than we forecast in the autumn statement.

Overall, despite the war, I expect to achieve a further debt repayment this year of approaching £1 billion.

For the year ahead, I judge that a deficit of £8 billion will fairly reflect the strength of the cyclical influences. For the same reason I think it will be right to tolerate a somewhat larger deficit in 1992-3; for it takes time for the effects of lower activity to feed through fully on to revenue. The most notable example is corporation tax, which is both highly sensitive to the economic cycle, and paid in arrears.

These deficits will disappear, once output has returned to normal levels — just as the large surpluses of the late Eighties did. Prudence dictates that I base my fiscal plans on a gradual recovery in output to its long-term trend.

This implies a correspondingly gradual return to budget balance. But in practice, the speed with which this happens will depend on the exact course of the upturn.

To summarise: for the year ahead, I am budgeting for a PSBR of £8 billion, 1.25 per cent of GDP. And I expect a somewhat larger deficit in the following year. These deficits reflect the effect of lower activity on the public finances, and are fully consistent with the aim of a balanced budget over the economic cycle.

To hold to this prudent fiscal stance, my Budget today will have a broadly neutral effect in the coming year but will produce a modest increase in revenue in 1992-3.

Small firms are helped

I now turn to my tax proposals. In preparing this part of my speech I have been guided by two of the great finance ministers of the past.

First, by Gladstone; his advice was: "Get up your figures thoroughly ... and then give them out as if the whole world was interested". And secondly by Colbert, who said: "The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the smallest possible amount of hissing".

In framing my tax proposals, I have also sought to address a number of the concerns which have been put to me and to carry forward the process of tax reform initiated by my predecessors. Above all, I have produced a Budget for business.

I therefore begin with business taxation. In this country there are 50,000 large companies paying the main rate of corporation tax, nearly one million other companies and three million unincorporated businesses, many of them very small, employing a handful of people at most. We should never forget these firms. My measures are designed to benefit businesses in each of these categories.

I have been particularly concerned about businesses which are experiencing cash flow problems, often made worse by late-paying customers. I shall therefore be announcing measures which should give immediate help to businesses' liquidity.

My first proposals concern the VAT regime. For 18 years, ever since VAT was introduced, the rule has been that businesses become liable for VAT when they send out bills, not when they are paid. So some traders end up paying VAT even though their customers never pay them. In his Budget last year the prime minister introduced an entirely new system for giving traders relief on bad debts. This comes into effect on April 1 and extends relief to all bad debts which are at least two years old.

Many business organisations have complained to me that this waiting period is too long. I now propose to reduce it from two years to one. This will enable businesses to claim relief next year on the bad debts they incurred in 1990-1 and 1989-90. The new scheme will boost businesses' cash flow next year by some £340 million.

Actually, for the smallest firms, the problem of reclaiming VAT on bad debts need not arise in the first place because they can use the cash accounting scheme. This allows smaller firms to pay no VAT at all until they receive payment from their customers. Well over 100,000 traders are already using the scheme. But we estimate that a further 300,000 could do so. Customs and Excise will therefore be taking steps to publicise the cash accounting scheme more widely.

There is another aspect of the VAT regime which I know causes concern: the operation of the serious misdeclaration penalty which came into effect last April. There have been widespread complaints that the automatic penalty it imposes — 30 per cent of the tax wrongly declared — is too severe and unfair to those who make minor mistakes.

I accept that the penalty in its current form is an unnecessarily blunt instrument. We will therefore undertake a thorough review so that the SMP system can be reformed in the 1992 Finance Bill.

Penalty rate is reduced

I have also asked Customs to make some immediate changes to the rules, giving traders more time to put mistakes right themselves without incurring a penalty. I do not wish to pre-empt the review but, while it takes place, I am reducing the rate of penalty from 30 per cent to 20 per cent.

Accounting for VAT can be an onerous duty for small traders. When VAT was introduced therefore we exempted firms with the lowest turnovers from registration. Since then the threshold has been indexed.

EC constraints have meant that in the past we have not been able to increase the threshold by more than inflation. At the end of last year, we pressed the case with the Commission to increase the VAT threshold. They responded very positively, and I therefore feel able to go far beyond indexation and increase the turnover limit for registration by no less than 40 per cent to £35,000: taking it to its highest level in real terms since the introduction of VAT in 1973. This will benefit up to 150,000 traders. The cost of raising this threshold will be £25 million in the first year rising to £40 million in 1993-94.

I have two further deregulatory measures to announce which will benefit small businesses. At present all employers have to pay over the PAYE and National Insurance contributions (NICs) they collect from their employees 14 days after the end of each month. But the burden of collection falls unevenly: larger firms are amply compensated for the trouble and cost of collecting the tax by the benefits of holding the money for this period, small employers are not.

I have a proposal that will reduce the burden on some 700,000 smaller employers. From May onwards, employers making PAYE and NIC payments of less than £400 each month will pay quarterly, not monthly. This will reduce the administrative burden on firms and help their cash flow at a one-off cost to the Exchequer of £210 million.

I have one further measure to announce to help very small businesses account for tax. Last year for the first time businesses with a turnover below £10,000 were allowed to send the Inland Revenue a simple three-line statement instead of detailed business accounts. This is an important deregulatory measure which cuts out time-consuming paper work for up to one million people. From April 1992, I propose to raise the £10,000 limit, to allow up to half a million more people to benefit.

There is a case for making a more radical simplification of the taxation of the self-employed. The Inland Revenue will shortly be publishing a consultative document containing our proposals.

SELF-EMPLOYED

System of tax appeal unfair

I am concerned that the system of income tax appeals can sometimes operate unfairly, in particular because there is no provision for the award of costs. The Lord Chancellor and I want to deal with criticisms by the council on tribunals about the absence of proper rules for hearing tax appeals. We shall be publishing a consultative paper which will include proposals about the award of costs where either party has acted unreasonably.

I have one proposal to limit the impact of capital gains tax (CGT) on entrepreneurs and on our growing venture capital industry. I have in mind particularly those who may give up safe managerial positions to set out on the risky road of running their own businesses. For those people the possibility of a large CGT charge can be a deterrent.

I have considered whether it would be sensible to introduce specific rules for venture capital but have concluded that it would be very difficult to do so.

However, one way we can help businessmen and women reap the rewards of their efforts is to improve the relief available to them when they retire and have to realise the asset they have created. That is why I propose to reduce the qualifying age for CGT retirement relief from 60 to 55 and to raise the limits on it: from today the first £150,000 of capital gains, and half of the next £450,000, will be exempt from CGT. This will be a powerful incentive for people to start their own businesses.

I have one other important change relating to CGT on small businesses. Under existing law only companies can offset their trading losses against their capital gains. I propose to give unincorporated businesses similar treatment. This will help small businesses if they wish to sell off assets to help themselves through a difficult period.

In addition to the measures I have announced for small business I wish to propose some changes to corporation tax.

In his Budget last year Mr Major raised the profit limits which govern the corporation tax rates paid by smaller companies. He increased the ceiling below which single companies pay corporation tax at 25 per cent from £150,000 to £200,000, and the upper limit above which they pay the full rate from £750,000 to £1 million. I propose this year to raise the limits again by a quarter: that means a total increase of 150 per cent in three years. As a result companies will need to be earning profits of more than £250,000 before they are liable to pay more than 25 per cent.

CORPORATION TAX

Firms' cash flow boosted

And companies will not have to pay the full rate of corporation tax until their profits reach £1,250,000 a year. This will benefit 30,000 companies.

In 1984 Mr Lawson made a radical reform of corporation tax. In his time as chancellor the main rate of corporation tax was reduced in stages from 52 per cent to 35 per cent, thus boosting companies' post-tax profits, encouraging profitable investment at home and increasing the incentive for overseas firms to invest in Britain.

I believe the philosophy behind his reforms — to widen the corporate tax base but reduce tax rates — was the right one. It is a policy which was widely welcomed by industry. It allows businessmen, and not governments, to decide how much to invest and what to invest in. It set the pattern for similar reforms in many countries throughout the world and ushered in an increase in investment of 50 per cent between 1984 and 1990.

I propose to take a further step today in that direction. corporation tax rates have

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'I have decisively cut local taxation'

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remained unchanged at 35 per cent since 1986. But since then the basic rate of income tax has been reduced from 30p to 25p and the top rate from 60p to 40p. I believe that the time has come to cut the main rate of corporation tax again.

However, I am also aware that cutting the rate of corporation tax only helps companies that are making a profit. Many businesses which have prospered in recent years may have moved into loss this year. A cut in corporation tax does not help them. Nor, in some cases, do existing arrangements for carry back of losses.

So I am taking two measures to improve company cash flow. I am cutting by 1 per cent the main rate of corporation tax, applied retrospectively to profits earned in the financial year 1990.

This will give an immediate boost to the cash flow of companies that were profitable in the year just ending. It will benefit not only companies paying at the main rate, but also the 30,000 other companies with profits between the lower and upper profits limits.

And to help those previously profitable companies that have just moved into loss, I propose to extend the carry-back period for trading losses from one year to three. That means that more companies making losses will qualify for tax rebates in 1992-3 — valued at £250 million — which will help to carry them through this difficult period.

But my main concern in this Budget is to encourage profitable firms to go on investing in Britain's future. The best way to do this is to increase still further the post-tax return on successful investment projects. For that reason I am cutting the main rate of corporation tax on profits earned in the 1991 financial year by two percentage points to 33 per cent.

The two reductions in the main rate, from 35 to 33 per cent, will together cost £380 million in 1991-2 and £830 million in 1992-3. They will give us the lowest rate among our major competitors: lower than the US and the lowest in the EC.

SUPPLY SIDE

Thatcher's legacy

The Eighties were years of remarkable progress in our economy, but even more striking was the change of attitude. The crucial importance of the market is now widely accepted both in this country and even in this House. It is that change of ideas and attitude that will be the lasting legacy of Mrs Thatcher.

She recognised that the key to a better performance of the economy in the long term lies in improving the supply side. And, over the past decade, that has been the aim of our tax policy, trade union and labour market reform, our competition policy, deregulation, and privatisation. But if the UK economy is to perform to its full potential, we still need a more flexible labour market and a better skilled workforce.

I have a number of further measures to announce to that end. If wages are inflexible, the burden of recession falls on jobs — it is the only way for employers to cut costs. There is a considerable prize if we can get pay to take some of the strain.

In 1987 we introduced a new tax relief to get profit-related pay schemes off the ground. There are now about 1,250 such schemes in total involving nearly 300,000 employees. But there can and should be many more. So I propose to make the scheme more attractive.

At present, half of an employee's profit-related pay is tax free. From April 1, profit-related pay will be free of all tax up to the present limits. It is worth up to a full £1,000 to a basic-rate taxpayer. For some, this could be worth as much as 6p off the income tax rate.

There is another way in which employees can and should enjoy a stake in the companies they work for: through becoming shareholders in them. Employee share schemes have already made a great deal of progress over the last ten years. By the end of March last year, 2.25 million employees had benefited from shares or options worth more than £6.5 billion.

But too often employee share schemes have been directed solely at highly paid company executives. I believe strongly that valuable benefits of this kind should extend to the whole workforce.

I have given serious consideration to limiting executive share schemes solely to companies with all-employee schemes in place. But I have decided instead to rely on the carrot rather than the stick. From January next year the price of shares under executive options may be set at a modest discount of up to 15 per cent of the shares' market value if, but only if, the company has an all-employee share scheme.

I also propose to increase substantially the limits on individual participation in approved all-employee share schemes and to allow companies tax relief on the costs they incur in setting up approved employee share schemes and statutory employee share ownership plans.

TRAINING

Tax help to improve skills

Another aspect of the supply side which needs improvement is training. A well trained labour force is an important element in any firm's success. Employers know that and are acting on it. The 1990 labour force survey shows an 85 per cent increase in the number of employees receiving job-related training since 1984. Despite the recession, the last CBI quarterly trends survey reported that over 75 per cent of employers expected to spend at least as much on training in the next 12 months as they had last year and 29 per cent expected to spend even more.

But more and more individuals are also choosing to take responsibility for their own training. Employers can get relief on the training they provide as a normal business expense. Yet at present the tax system generally gives no relief to an individual who decides to pay for training to improve his or her skills.

That cannot be right. If we want a better trained, more flexible workforce, we should encourage people who want to help themselves. I propose to do just that. I am introducing a tax relief for the fees paid by an individual for training towards most national vocational qualifications and their Scottish equivalents. From April 1992, basic rate tax will be deducted automatically from the fees for qualifying courses. So non-taxpayers will benefit as well as taxpayers. Among those who stand to gain are women wishing to get back to work after having children.

Many MPs have pressed the case for helping two specific industries this year: shipping and films. While I sympathise with their aims, I have to say that there is a limit to the extent to which we can, or should, bend the tax regime to meet the special needs of any particular industry.

The Gulf hostilities have reminded us of the important contribution which our merchant navy can make to our defence. I recognise that there is a strategic case for measures to encourage shipping companies to draw their crews from seamen in the UK, who would be willing and able to serve in time of war. Towards this end, I propose a further relaxation of the rules giving tax relief to seafarers working mainly overseas. This will mean that more seafarers will be exempt from UK tax overseas earnings.

The film industry makes an important contribution to entertainment and culture in this country. The industry have put forward a number of proposals. But having studied these carefully I am afraid I cannot accept them. But I remain sympathetic, and if they have any alternative proposals they wish to put to me over the coming year I will happily consider them.

I know that the tax treatment of foreign exchange gains and losses causes difficulties for many businesses. This is one of the most complex and intractable areas of the tax code. Our 1989 consultative document elicited a valuable response but no consensus on the way forward. I am publishing today a further document setting out my specific proposals for reform which I trust will bring greater rationality to this important and complex area of the business tax system.

I have also to correct one defect in the law affecting building societies. In a recent judgement the House of Lords concluded that regulations covering the 1986 composite rate transitional provisions for building societies were technically invalid. If I were to take no action about this there would be a windfall gain to building societies (not their depositors) of £250 million distributed arbitrarily according to their accounting dates in 1985-6. I have therefore decided to include legislation in the finance bill to establish, as the government and Parliament intended, that interest and dividends paid by societies in these transitional periods may be taxed at 1985-6 rates.

CHARITIES

Business gifts encouraged

I turn now to trusts. In 1988, as Financial Secretary, I announced a review of their tax treatment. Today I am publishing a consultative document on possible changes to the income tax and CGT treatment of UK resident trusts. My proposals include an alternative structure of tax rates which would bring the treatment of trusts more into line with the treatment of individuals. They would also help to streamline the administration of trusts, saving work for trustees and their advisers.

We have also been reviewing the tax treatment of non-resident trusts. This raises an important issue of principle. In recent years the use of non-resident trusts as a means of avoiding CGT has increased. I do not think it is right for a relatively small number of wealthy people to shift very large assets into offshore trusts, simply in order to avoid UK tax. Such people have already benefited from the reductions in the higher rate of income tax. I therefore propose to introduce measures to counter this tax avoidance and prevent a revenue loss of up to £100 million in a full year.

I turn now to charities. While people's real incomes have risen by over one third since 1979, charitable giving has more than doubled: partly as a result of the measures taken by my predecessors to encourage more giving. Tax reliefs for charities are now worth at least £800 million a year. Today I have some modest improvements to announce to the tax regime for charities.

I have two measures that should boost giving by businesses. The first is a new relief from income and corporation tax to encourage business gifts of equipment to schools and to other educational establishments.

The second concerns the gift aid scheme introduced last year. This allows companies and individuals to get tax relief on cash donations to charities up to a limit of £5 million a year. Company groups have found that the division of this upper limit between them prevents them from donating as much as they would like. To overcome this problem I propose to abolish the limit altogether from today. In recent years there has been an increase in corporate donations to charities. I hope this measure will encourage companies to give even more.

I also propose to adjust some existing VAT reliefs for charities and ease the conditions for the relief from car tax for vehicles leased to disabled people.

SPORT AND ARTS

Foundation to help the arts

I now come to a proposal to benefit both sport and the arts. Last year the prime minister reduced pool betting duty on the condition that the benefit was passed to the Football Trust. Following the success of that measure, a proposal has been put to me by one of the pools promoters for a new foundation for sport and the arts. League football benefited from last year's Budget measure and racing benefits from the horse racing betting levy. This new foundation is intended to provide assistance to other sports and to the arts. It will be financed by contributions collected by the pools promoters along with the weekly pools betting stakes, and should raise some £40 million a year.

On the understanding that all the main pools companies agree to participate and that the full amount would be passed on to a new trust established on satisfactory terms, I would be willing to reduce pool betting duty a final time — from 40 per cent to 37½ per cent. These arrangements would be subject to a review in four years' time. They should make a further £20 million a year available — giving £60 million a year in total — to the foundation in order to support sports and the arts.

I now come to excise duties. First, I propose to raise the duties on alcoholic drinks to maintain their real value. That means the duties will rise from 6 o'clock tonight by 9.3 per cent — in line with the increase in the retail prices index in the year to December 1990. That will put about 2p on a pint of beer, 9p on a bottle of wine and around 56p on a bottle of spirits.

I will also be legislating to change the basis on which beer is taxed. The existing system of taxing the so-called "wort" was introduced by my predecessor — Mr Gladstone. It will now be replaced by one in

Making his point: the Budget was condemned by Neil Kinnock as "the biggest climbdown in modern history". Ministers, he said, had betrayed voters

which the end-product, the beer itself, is taxed. The new system will relate the duty more closely to the alcoholic strength of the beer — with a higher tax levied on strong lagers than on low alcohol beers.

I propose increasing all tobacco duties by 15 per cent: well above the rate of inflation. This will add about 16p to the price of a packet of 20 king size cigarettes, and, I regret to say, around 8p to a packet of small cigars. There are strong health arguments for a big duty increase on tobacco. In recent years the duty has fallen in real terms and cigarette consumption, having declined in the early Eighties, has since begun to turn up again. Raising the duty will help to counter this unwelcome trend.

The motor car imposes large costs on others in the form of pollution and congestion. I have decided therefore to increase the duties on petrol and Derv by 15 per cent, giving the private motorist a strong incentive to choose more fuel efficient vehicles, and ensuring that those who pollute most, pay most. This is fully in line with the policy set out last year in the government's white paper on the environment.

A litre of leaded petrol will rise by nearly 4p, a litre of unleaded by about 3p and a litre of diesel by just over 3p. The tax differential between leaded and unleaded will increase, giving a further boost to the take-up of unleaded.

I propose to freeze vehicle excise duty for private cars and light vehicles at £100, for the sixth year running, and also to freeze vehicle excise duty for all heavy goods vehicles.

Many motorists do not own their own cars but drive those provided by their employers. The scales for taxing the private use of company cars have been substantially increased in recent Budgets but many employers continue to pay their employees in cars, rather than in money. I propose to increase the car scales again this year by 20 per cent. This increase will yield £190 million in 1991-92 and £250 million in 1992-93.

If people are paid in kind there is no reason why they should be taxed more lightly than people paid in cash. Yet our present system also gives employers an incentive to provide employees with cars rather than cash. Under our present arrangements they avoid making any contribution to the national insurance fund on the benefit the employee gets from private use of a car.

COMPANY CARS

Employers to pay NI levy

I propose that company cars and fuel should now become liable for national insurance contributions, assessed according to the scale charges used for taxation. The Secretary of State for Social Security [Tony Newton] will introduce a bill to that end. Employers will pay at the main rate, but there will be no change for employees.

Employers' national insurance contributions on cars and fuel will yield an extra £610 million a year of contributions. This will reduce an anomaly in the NICs system, making it more neutral between different kinds of payment, and will widen the NICs base.

These new arrangements will take effect from April. But contributions will be collected annually in arrears so employers will not be asked to pay their first contributions until June 1992. They are already familiar with the scale charges used for tax.

So they should be able to make the necessary calculations with the minimum of extra work.

I turn now to one of the greatest scourges of modern life: the mobile telephone. I propose to bring the benefit of car phones into income tax and simplify the tax treatment of mobile phones by introducing a standard charge on the private use of such phones by an employer. Tax will be paid on £200 for each phone for 1991-92.

I hope that as a result of this measure, restaurants will be quieter and roads will be safer.

I have already drawn attention to the imbalance between savings and investment and its effects in the late Eighties. As companies found more and more opportunities to invest, we needed more savings. But instead the saving ratio fell.

In successive Budgets, my predecessors introduced new tax incentives to save. Many forms of saving now enjoy a highly privileged position in the tax system.

Last year in particular the prime minister announced a new scheme, the tax exempt special savings account. Tessa has proved a spectacular success since it arrived on the savings scene nearly three months ago and has encouraged the savings habit among ordinary taxpayers. Already more than 1.5 million people have opened accounts.

The prime minister also announced in his Budget last year the abolition of composite rate tax. From April 6 non-taxpayers will no longer have to pay tax on their accounts with banks and building societies.

These are far reaching reforms and need time to settle down and take effect. So this is not the year to disturb the regime we have just put in place, or risk causing confusion with further schemes. My main concern has been to consolidate the system we already have, although I do have some modest changes to announce.

I propose to raise the capital gains annual exempt amount to £5,500 and the inheritance tax threshold to £140,000 this year in line with inflation.

National savings continue to play an important role particularly for small savers. This summer I propose to introduce a new national savings children's bond for children under 16.

There will also be a new issue of fixed interest savings certificates with a maximum investment of £5,000 compared with £1,000 on the last issue. Other changes to national savings products will be set out in a press release issued today.

I am also removing the restrictions on friendly societies writing tax exempt life insurance policies for children and increasing the limit on premiums for their tax exempt policies generally from £150 to £200 a year.

Personal equity plans remain an important means of promoting direct share ownership. Since their introduction in 1987, about 1.2 million PEPs have been taken out and over £3 billion has been invested. I have some further changes to announce.

First, I intend to allow investment in EC, as well as UK shares both for individuals and for unit and investment trusts.

Second, to promote the development of single company PEPs I propose to allow investors to put up to £3,000 a year in a single company PEP as well as up to £6,000 a year (as now) in a general plan. This will allow total investments of £9,000 a year.

While single company PEPs are available to any investor, I believe they provide a natural home for shares acquired under employee share schemes. I therefore propose to allow shares acquired under approved all-employee share schemes to be transferred directly into the company's PEP, with no charge to capital gains tax.

Employee share schemes and PEPs have encouraged individuals to become shareholders. But many people have bought their first shares in big offers, mainly privatisations.

The first of these to catch the public's imagination was British Telecom. The government currently still owns some 48 per cent of the shares and I can announce today that I intend to sell part of this holding in the coming year.

SHARES

Genuine retail market sought

Privatisations have been a great success. The next step is to encourage people to invest in shares more generally. One problem is that to the small investor the stock market can seem remote, intimidating and somewhat expensive. The development of a genuine retail market for shares in high streets up and down the country would be highly desirable.

To give this the boost it deserves, the government is considering a change in the way in which it markets privatisations. For future large flotations I am today inviting proposals from the private sector for arrangements to distribute shares directly to the public through high street retail networks.

I hope there will be proposals both from financial institutions — banks or building societies — and from companies outside financial services.

If satisfactory proposals can be developed in time, I will consider using such a high street network in the sale of British Telecom shares.

Such a high street network could be used for primary issues, not only by the government but by private sector companies and, in the longer term, it could provide a cheap and accessible way for individuals to buy and sell in the secondary market.

The measures I have just announced will encourage people to save. But there is another side to the story. For the fall in the saving ratio at the end of the Eighties was a result not of a fall in gross savings, so much as an increase in borrowing, particularly mortgage borrowing.

In part that reflected the remarkable increase in home ownership over the last decade. That has been, and remains, a key objective of policy for this government. A less desirable development, however, was the dramatic boom in house prices during the late Eighties which fuelled borrowing and helped boost inflation. Many first-time buyers found prices rising much faster than their incomes. We need to do all we can to ensure that when recovery comes it is not accompanied by another bout of house price inflation, with the unwelcome consequences that would have for inflation and interest rates.

I propose to leave the ceiling for mortgage interest relief unchanged at £30,000. But from 6 April 1991, I propose that relief should be allowed only at the basic rate. This will yield £220 million in 1991-2 on the basis of current interest rates, and £420 million in 1992-3.

HOUSE COSTS

Reducing tax relief

I recognise that some people have arranged their affairs on the assumption that higher rate relief will continue. Therefore to reduce the amount of extra tax they have to pay I propose to increase the starting point for higher rate tax from £20,700 to £23,700 — £1,000 more than required to match inflation. This will keep the number of higher-rate payers broadly stable and will mean that a married man with a £30,000 mortgage will not become liable to higher rates tax until his earnings rise to nearly £33,000.

My objective is to reduce the tax subsidy to borrowing without significantly increasing the average tax burden on higher rate taxpayers. Taking these changes with the changes to the personal allowances that I am about to announce, the typical increase in liability for a higher rate taxpayer with a £30,000 mortgage will be only around £1 a week.

Of course, the main determinant of the cost of a mortgage is not tax relief, but interest rates. For a higher rate taxpayer with a £50,000 mortgage the fall in the typical mortgage rate that has already taken place since last autumn fully offsets the change I am making to mortgage interest relief.

I now come to income tax.

Income tax is never welcome but paying tax unexpectedly is even less so. That is the position facing employees who were workinig in Kuwait and Iraq at the time the Gulf crisis began. They may now become liable to pay UK tax on their foreign earnings which they had expected to be exempt. I propose that employees who had intended to work in Kuwait or Iraq for a year or more but were forced to return home earlier by the crisis should not be taxed on their foreign earnings.

I have no changes to make to either the basic rate or the higher rate of income tax. Our objective remains to move towards a basic rate of 20p. But I cannot make further progress towards it this year. Our priority has to be to reduce taxes on business.

I propose this year to uprate the personal allowance in line with inflation. It will rise by £290 to £3,295. The personal allowance for the over-65s will increase by £350 to £4,020 and for those aged 75 and over by £360 to £4,180. The married couple's allowances for the elderly will also be increased in line with inflation from £2,145 and £2,185 to £2,355 and £2,395. The income limit for the allowances for the elderly will increase by £1,200 to £13,500.

However, I am not proposing to increase the married couple's allowance for couples under 65 or the allowances that are linked to it. They will stay at £1,720.

I know that there is a widespread view in the House and in the country that more should be done to help families with children.

I propose to use the resources released by not increasing the MCA for that purpose.

There are some, I know, who advocate the reintroduction of child tax allowances. I have looked at that option carefully but I am clear — especially following the introduction of independent taxation — that it would not be an effective way of channelling resources to those who need them.

A better way of directing help straight into the pockets of mothers, whether they choose to work or not, is child benefit. It goes to all families; to the children of non-taxpayers as well as the children of taxpayers.

I therefore propose to increase child benefit from October 7 by £1 a week for the first eligible child in each family, and by 25p a week for other children. These rises come on top of the increase announced by the secretary of state for social security last autumn which will be paid from April 8.

This means that in October this year a benefit of £9.25 a week will be payable for the first child, and £7.50 for each subsequent child.

We will ensure that the increases benefit not only taxpayers but the very poorest families, those on income support and family credit.

These increases will help 6.8 million families — and 12.3 million children.

I should add that the government has decided that the new levels of child benefit will be uprated in line with inflation next April and in subsequent years.

The measures I have announced today maintain a responsible fiscal policy while giving help to industry and families. They also include some important reforms to the tax system. However, my Budget would not be complete if it did not address one other issue which has attracted a certain amount of attention recently.

The Secretary of State for the Environment will be announcing very soon the conclusions of our review of local government. I do not propose to anticipate his statement, but there is one announcement I want to make today.

In January we announced a £1 billion package to reduce the community charge for more than half of all chargepayers.

Since then I have been considering whether the impact of local expenditure on the local taxpayer is too great for any system of local taxation to bear.

I have concluded that local taxes are being asked to bear too large a burden and that the level of the community charge is still too high. However, if local taxes are to fall and the standard of local services is to be maintained, then taxes elsewhere must rise.

I propose therefore to make a substantial switch from local to central taxation. This will amount to about £4.25 billion in the coming financial year and will reduce the net yield of local taxation to about £7 billion.

This large reduction in local taxation will take it to a level that the government believes should be sustainable in the longer term.

We will be introducing a bill in the next few days to authorise payments of extra grant to local authorities and ensure that community chargepayers will reap the full benefit in reduced charges in the coming year, that is, 1991-2. The money will not be available to increase local authority spending. Domestic rate bills in Northern Ireland will be reduced as well. The bill will also ensure that chargepayers do not have to start paying their charges until the new and lower charges have been introduced.

The switch requires a substantial increase in central taxation. I have decided that this should be achieved by raising indirect taxes, that is to say, taxes on spending.

I am proposing, therefore, from April 1 to increase the standard rate of value-added tax by 2.5 percentage points to 17.5 per cent.

VAT is a broadly based tax which falls on consumers rather than producers. Since much consumer spending is zero rated, it bears less heavily on poorer households than on the better off. So raising VAT is not only an efficient but also a fair way to raise the necessary finance. And raising taxes on spending rather than taxes on income will be better for savings, and consistent with our strategy for tax reform first set down by Sir Geoffrey Howe in his 1979 Budget.

POLL TAX

Price index will drop

Raising VAT will increase some prices but the reduction in the community charge will more than offset that effect so the switch will actually reduce the RPI. As a result of these changes the community charges recently announced in England, Wales and Scotland will be cut by £140. On average the headline charge will be reduced from about £390 to about £250 in both England and Scotland, and from £260 to £120 in Wales, while the amounts people actually have to pay, after allowing for relief and benefits, will fall to under £175 in Great Britain. The charge in Shetland will fall to under £1.

The measures I have announced are designed to meet the three main requirements of any Budget.

First, they represent sound finance and contribute to a firm counter-inflationary policy. My predecessors transformed public finances in the Eighties; my proposals will keep us on track to balance the budget over the Nineties.

Second, they respond to the economic needs of the moment. I have cut taxes on business both this year and next to help it weather the recession and take advantage of the upturn later in the year.

Third, they continue the reform of the tax system to improve the working of the economy in the longer term.

In addition, in a year when resources are tight, I have been able to give additional help to families with children.

Finally, I have made a decisive reduction in the burden of local taxation across the country and cut community charges in the coming year by £140.

This Budget is good for business, good for families, good for chargepayers and good for the country. I commend it to the House.

Mr Lamont spoke for one hour and 16 minutes.


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David Lipsey

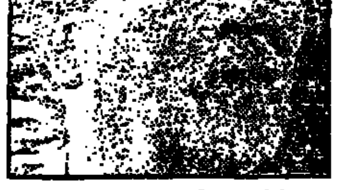
The bug stops here

In Samuel Butler's *Erewhon*, the central conceit concerns a Utopia in which to be a criminal is regarded as a misfortune, but to be ill is to commit a crime. Judging by recent press comment on John Major, the same applies in 10 Downing Street. The prime minister has as yet virtually escaped censure over the government's criminal bungling of the poll-tax review. But his sore throat is regarded as a sign of dangerous — even culpable — weakness.

His press officers felt it their duty to deny that he had a virus. Of course they had no way of knowing for sure whether he did or did not. Bugs penetrate the precincts of No 10 even more easily than IRA mortars, and because the house is overheated, they proliferate even faster than elsewhere. In a winter when at least half the nation has suffered something nasty, there is nothing surprising about the prime minister also succumbing.

What explains Whitehall's attempted whitewash? It can be put down to its belief that the public thinks the prime minister is indispensable. So vital is the work of state, that nothing less than 24 hours a day of devoted attention to its duties will pass muster. So onerous are the responsibilities that the briefest respite is thought liable to unleash Hobbesian anarchy. This version was not one that Major's predecessor thought fit to dispel.

It is quite wrong, nevertheless. In normal times, leaving war and emergencies aside, the duties the prime minister has to perform are limited. Because the office has few formal functions, Her Majesty's government can carry on perfectly well without any assistance from No 10. The prime minister does not have to decide the precise terms of legislation, or carry out quasi-judicial functions, review cases or glad-hand every visiting dignitary who passes through town. For those purposes he has departmental ministers, Lord Chancellors, foreign secretaries.



Macmillan: the formalities made him feel physically ill

He does have to preside over the cabinet, usually once a week, and twice a week he has to answer questions in the House of Commons. Preparation for these ritualistic occasions dominates prime ministerial lives, as the memoirs of Harold Wilson and Jim Callaghan make clear. The formal appearances made Harold Macmillan physically sick. But they take such prominence partly because the prime minister simply does not have the diverting range of other duties that lesser ministers labour under.

This should not be misunderstood. The prime minister bears an enormous burden. In his office, the buck stops. The really big decisions belong at No 10. A one-off emergency, when it breaks, must be dealt with there, and all other priorities must be put aside.

Moreover, prime ministers are invariably people of exceptional energy. Otherwise they would not seek, and certainly would not gain, that high office. Some — Callaghan, Macmillan, Stanley Baldwin — cultivated a relaxed image. Others — Gladstone, Wilson, above all Mrs Thatcher — revelled in their Stakhanovite industry. All, however, given half a chance, fill up the spaces between what they have to do with sufficient discretionary activity to ensure that their energies are fully absorbed. What they have to do is limited; but what they choose to do has no limits.

Perhaps over the past month, Mr Major really needed to go to Bonn to meet Herr Kohl and to Bermuda to meet George Bush, though Moscow was arguably an optional extra. He did not, however, need to tour Scotland. His speech at the Rutlish school prize day was strictly optional. He seems to have undertaken a good deal of inessential entertaining. That, on top of winning a war; no wonder the poor chap feels under the weather.

If the prime minister is at all culpable, it is for being nice, keen to see everyone and reluctant to let anyone down. He ought to heed the implicit advice of President Bush and the explicit counsel of his wife and slow up.

But a question mark must also be raised over the role of his private office. Has it adapted sufficiently to the passing of Mrs Thatcher? Has it understood that the frenetic activity which was an essential part of her psyche will simply exhaust the new man? Does it, in short, have Mr Major's diary under control?

The importance of this function is best illustrated by two stories from the foreign office.

One concerns John Major's unhappy stay there. So long as the foreign secretary turned out when they wanted him to turn out, the civil servants scarcely minded what state he was in when he did so. Success was measured less by the thrust of foreign policy than by the number of ambassadorial hands shaken, the number of countries visited and the number of functions to which invitations were accepted.

When Mr Major showed signs of backsliding, steps were taken to remind him of his duty. At least one senior Tory backbencher was rung by one of Mr Major's officials. Did he know that the foreign secretary was refusing to turn up at diplomatic receptions in London? Would he please persuade him to get his priorities right? The backbencher honourably refused, but the message was doubtless conveyed through more amenable channels.

The other story concerns Jim Callaghan, a man who understood the language of priorities, and had a private office which translated it into practice. A British ambassador strode into the private office demanding an appointment with the foreign secretary. The diary secretary, a lowly official, neither hesitated nor consulted: "The answer is no. Go and see your head of department."

If John Major is to fulfil his potential as prime minister, he too needs an office that understands his limits as well as his strengths. His officials must help him to help himself, ensuring that those who make unnecessary demands on his less-than-superhuman stamina are shown the door.

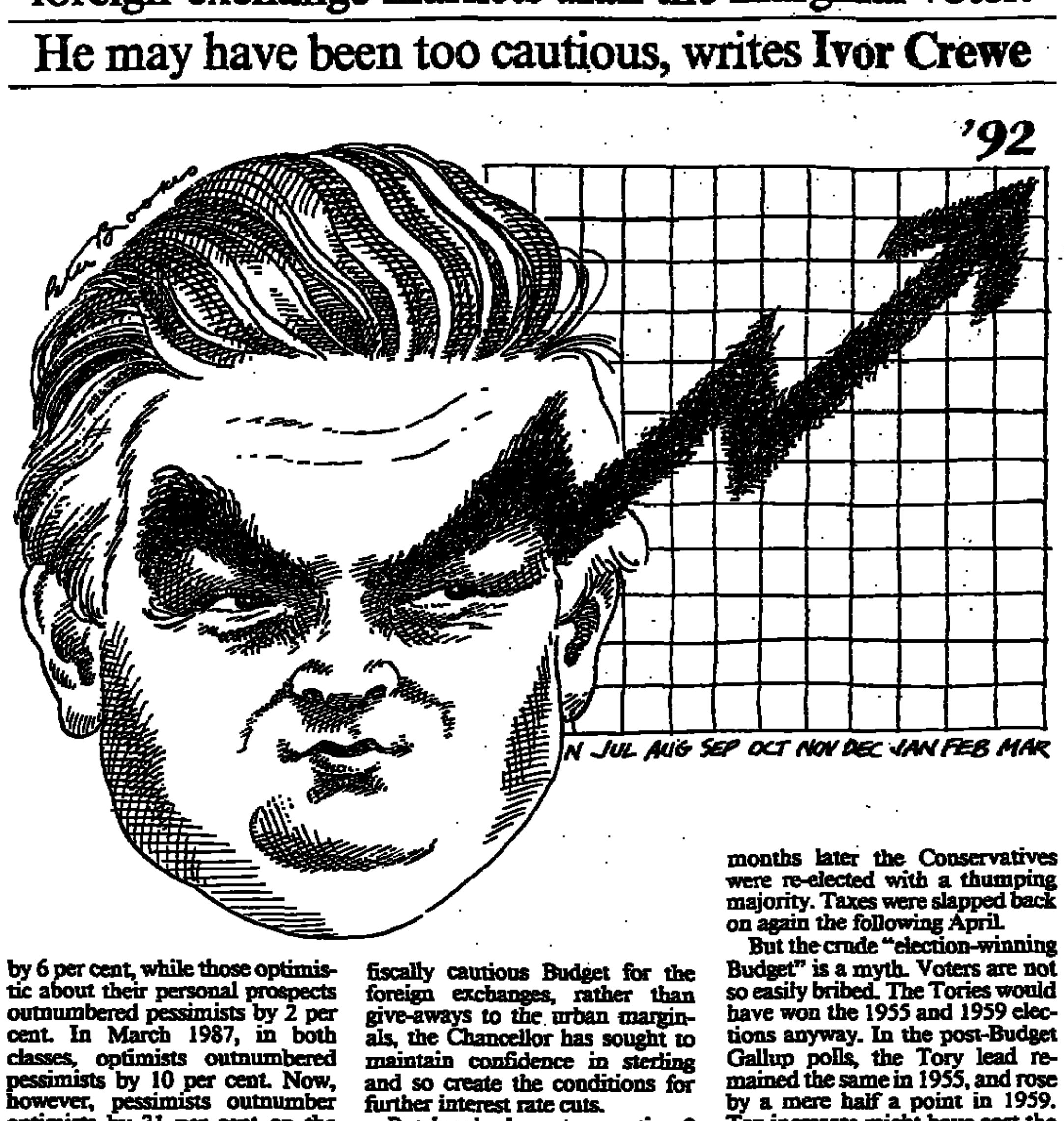
An election postponed

Norman Lamont's Budget is aimed more at the foreign-exchange markets than the marginal voter. He may have been too cautious, writes Ivor Crewe

Yesterday's Budget was electorally crucial to the government. The Conservative party has been steadily sailing into an electoral storm. The poll tax and recession have replaced the Gulf war on the front pages, unemployment is spiralling up in the Tory marginals, and voters' pessimism about the economic future is at historically high levels. Visible squabbling on the Conservative backbenches — a sure vote-loser — is on the increase. John Major's personal popularity is a waning electoral asset, and the surge in support for the Liberal Democrats since Ribble Valley has nibbled the Conservative lead in the polls to nought.

The Chancellor had the choice of a generous Budget for a June polling day, before the dole queues lengthen into the autumn, or a cautious Budget for an election in October or next year. Though Tory backbenchers agued last night that June was still an option, the cabinet appears to be in no rush. And indeed there were none of the signs of a June election, such as income tax cuts or a raised level of mortgage tax relief. Indeed many of the measures will be mildly unpopular, especially the above-inflation increases in petrol duty (for motorists vastly outnumber environmentalists), and the refusal to raise the level of mortgage tax relief.

The only proposal with immediate electoral dividends is the vast reduction in the community charge, to be implemented for this April. But against this gain must be set the even more rapid raising of VAT to 17.5 per cent.



The most significant electoral hint was the unexpectedly upbeat forecast that inflation would fall to 4 per cent by the end of the year, and even lower in 1992. If this is correct, interest rates could be eased down to 10 per cent by the year-end (so that annually-fixed mortgage rates, most of which are determined in January, adjusted downwards). Economic models of elections say that 4 per cent inflation and 10 per cent interest rates should deliver a 43-45 per cent vote for the government, which almost guarantees re-election.

Mr Lamont is wise to play it long. The government's level-pegging position in the polls, although not itself a cause for undue pessimism, is accompanied by much less favourable signs in the small print. In March 1983, optimists about the general economic outlook outnumbered pessimists by 6 per cent, while those optimistic about their personal prospects outnumbered pessimists by 2 per cent. In March 1987, in both classes, optimists outnumbered pessimists by 10 per cent. Now, however, pessimists outnumber optimists by 31 per cent on the economy in general and by 11 per cent on personal prospects — and this shows no sign of abating.

To convince voters of an economic upturn, the government needs a sustained decline in inflation and interest rates. If unemployment were at least to level out, so much the better, but since there are many fewer unemployed people than mortgagees or consumers, inflation and interest rates are given priority. It is on these terms, rather than its immediate impact on people's pockets that the Budget needs to be assessed. By presenting a fiscally cautious Budget for the foreign exchanges, rather than give-aways to the urban marginals, the Chancellor has sought to maintain confidence in sterling and so create the conditions for further interest rate cuts.

But has he been too cautious? Past Conservative governments got themselves re-elected after brazenly generous Budgets. The cut-and-run Budget was invented by Rab Butler. On April 19, 1955, he cut income tax by sixpence (2½p). An election was called a fortnight later, and on May 26 the Tories romped home under Anthony Eden. By October, Butler was forced to raise purchase tax by a fifth in a supplementary Budget.

In April 1959 the trick worked again. The new Chancellor, Heathcoat Amory, cut taxes by the equivalent of £1.5 billion, including a shilling a pint off beer. Six months later the Conservatives were re-elected with a thumping majority. Taxes were slapped back on again the following April.

But the crude "election-winning Budget" is a myth. Voters are not so easily bribed. The Tories would have won the 1955 and 1959 elections anyway. In the post-Budget Gallup polls, the Tory lead remained the same in 1955, and rose by a mere half a point in 1959. Tax increases might have cost the government votes, but a neutral Budget almost certainly would not have done.

More recent "give-away" Budgets tell the same story. Sir Geoffrey Howe's March 1983 Budget raised tax allowances by 15 per cent. Gallup asked people whether the Budget made them more or less inclined to vote Conservative: only 9 per cent said "more", while 32 per cent said "less". There was no upswing in economic optimism, and the Conservative lead was temporarily halved, from 11 to 5½ per cent.

Nigel Lawson's characteristically more robust 1987 pre-election Budget cut 2p off income tax. Once again the electorate seemed less than grateful. Only half as many said they were more inclined to vote Conservative (15 per cent) as were less inclined (31 per cent). Personal economic optimism barely shifted, although the Tory lead in the polls, which had been widening since January, continued to rise. The Budget did no harm, of course, but its electoral impact was to sustain a trend that was moving strongly towards the Conservatives anyway.

Self-interest, not altruism, protects the British voter from electioneering Budgets. Post-Budget polls reveal the public to be straightforwardly in favour of tax cuts, of any variety, and against tax increases, however strongly justified by indexation or longer-term interests. But even generous Budgets take away as well as give, and voters feel losses more keenly than gains. Most low income households drink or smoke: what they will gain from raised income tax threshholds they will lose, in part, on beer and cigarettes.

Fiscal measures, moreover, play only a limited part in voters' standards of living. Interest rates loom much larger. The household with a £50,000 mortgage and a combined income of £25,000 typically saves £42 a month from a 1-point cut in mortgage rates, £16 a month for a 1p cut in income tax.

The political context matters too. The 1983 Budget was presented in the middle of an economic recovery and shortly after Mrs Thatcher's much publicised visit to the Falklands. The 1987 Budget was delivered when the credit-led boom was in full swing, and was followed a month later by Mrs Thatcher's spectacularly successful trip to the Soviet Union. Both Budgets were part of a long, well-orchestrated election campaign launched the previous autumn. This time there has been no long campaign, only hurried and wearying trips to Kuwait and Bermuda, against a backdrop of poll tax troubles and recession.

So was it an electioneering Budget? Yes, but it recognised that the road to electoral success lies through Frankfurt and Paris, not the Inland Revenue office, and winds on until the autumn or, more probably, into next year.

The author is professor of government at Essex University.

Let's preserve that British dottiness

The Ealing comedies should be stored at home, says Joe Joseph

Take a quick poll in your office, factory or saloon bar and the chances are that more people would be more upset never to see an Ealing comedy again than they are by the probable loss of the Badminton cabinet.

Once again, the whimsies (Ealing, not Badminton) are up for sale, being hawked by Weintraub, an American film distributor, which bought them along with the rest of the former Thorn EMI film library for £50 million in 1987. Fans of *Kind Hearts and Coronets* and *Passport to Pimlico* are hoping that the BBC will take out its chequebook and give the archive a secure British home, a deal which could give the Ealing films a new life by issuing them as videos.

Are the Ealing comedies worth fretting about? Some people scoff that they are hopelessly dated; but so are Charlie Chaplin and Groucho Marx, and they are all still extremely popular.

Sceptics should also consider that the recent hit film *A Fish Called Wanda* was directed by Charles Crichton at the age of 78. Mr Crichton directed his first Ealing film, *Hue and Cry*, in 1946 and went on to make such classics as *The Lavender Hill Mob* and *The Battle of the Sexes*. He delights in telling the story of how, when *A Fish Called Wanda* opened in Hollywood, one of the film's producers received a call from the head of a studio. "We've got a comedy we need a director for," the studio chief explained. "Do you think your new young guy, Crichton or whatever his name is, would be interested?" By then, Crichton, who had been paying the rent for years by filming *The Avengers* and *Danger Man* (some of which are also filed in the Weintraub library), was too rich from *Wanda* to take on the role of cinematic young Turk again.

When Ealing comedies appear on the television schedules, people sigh "Oh, not again" and then sit glued to the chair for 90 minutes. The knack was to create a typically British world.

One critic summed up the pattern: "An individual, or a group of individuals, tries to upset a settled, cosy world by doing something just that bit dangerous or eccentric. There is a revolt against the established order, followed by the brief, heady taste of freedom, but even as it is going on they know that it cannot last. There is peaceful surrender and a cosy corner of Britain closes its ranks once more." Here, too, is the plot of *Passport to Pimlico*, a fantasy about the supposed secession of Pimlico from Britain, after a charter found on a Pimlico bombsite reveals that this quarter of London actually belongs to Burgundy. It is also the mainspring of *The Lavender Hill Mob*, in which the characters played by Alec Guinness and Stanley Holloway, plagued by English ways and values, plot the perfect robbery.

T. E. B. Clarke, who wrote many of the Ealing classics, managed to invent a world in which the British saw themselves horribly clearly. The reason we find ourselves so often describing an everyday scene as like something out of an Ealing comedy, is that the team captured the essence of British behaviour, its idiosyncracies and plain idiocies.

David Puttnam, the director, has no doubts about Ealing's place in celluloid history. "Ask any American of my generation and he will define the British cinema as Ealing, in the same way that many Britons see the MGM musical as the essence of Hollywood. The films were a powerful piece of cinema iconography that set out to reflect Britain, and British values, in a very self-conscious way."

The sale and resale in recent years of the Ealing film library may have raised few passions, because people have assumed that the films will always be available, whoever holds the title deeds. But many of them were made on 35 mm nitrate film that is disintegrating, although the National Film Archive has slowly been making preservation copies. They deserve a safe home.

...and moreover

Craig Brown

Yesterday, I was honoured with a secret preview of all the various diaries, memoirs and autobiographies that have been penned by members of Mrs Thatcher's cabinet, many of whom, it will be remembered, retired early from government in order to spend rather more time with their publishers. Lords Whitelaw and Young have already produced their memoirs, and before the year is out Fowler and Lawson should be on the shelves, with Howe, Parkinson, Wakeham, Ridley, and Mrs Thatcher herself bringing up the rear.

Oddly enough, the main revelation to emerge from all the manuscripts is that not a single one of the authors was to blame for the poll tax. In fact, quite the opposite: each of them makes it crystal clear that in the privacy of the cabinet office, he was its staunchest critic.

Look, for instance, at this extract from the memoirs of the Rt Hon Northwood Hill, secretary of state for home improvement 1987-90: "My critics have constantly claimed, wholly without foundation, that I was in some way an enthusiast for the poll tax. Some of them have, regrettably, allowed their hard-left political bias to get the better of them, and have seen fit to refer to a speech I made to the 1987 Tory party conference in Blackpool, in which I referred to the new tax as 'a shining beacon, fair and democratic, soon to be greeted by the British public with a warmth more usually reserved for a favourite uncle'.

"Such selective quotation, completely out of context, does, I am sorry to say, more damage to my critics than to myself. If they had only bothered to read between the lines, they would have seen that, to put it bluntly, (and many would argue that I am far too blunt on such occasions!) I was issuing a rallying cry, within the limits of collective responsibility, to all those who, like me, wished to see the poll tax abolished. I am only grateful that fellow opponents of the tax were so moved by my appeal that it has now been removed from the statute books."

The diaries of the Rt Hon Newbury Park, secretary of state for personal hygiene 1983-88, reveal that he, too, was among the most bitter opponents of the poll tax: "March 11, 1988: A stormy morning in cabinet. Margaret asked whether any of us disagreed with the community charge. I chipped in immediately with a resolute 'no', vigorously shaking my head from side to side. 'I can always rely on Newbury,' purred Margaret. I can now claim in all honesty that I was the very first to say 'no' to the question of poll tax. Frankly, I think my constituents will respect me for it."

Similarly, senior Tory backbencher Sir Tottenham Hale, chairman of the influential All-Party Cheese Dip and Fondue (Cruets) Committee, leaves readers of his autobiography *Courage, Vision and Personal Magnetism: The Life of Sir Tottenham Hale MP* in little doubt that he had no hand whatsoever in the community charge.

"Some of my constituents claim they have heard me say that I was an early supporter of the poll tax. Far from it. They must have misheard. I am a great believer in a pool tax (a surcharge on all houses without swimming pools), a mole tax (heavy financial disincentives for potential spies) and pearl tax (intended to keep Mrs Thatcher at bay) and even a polly tax (to minimise the number of parrots in captivity), but poll tax? Never!"

The cabinet memoirs of Sir Stamford Brook, secretary of state for luncheon arrangements 1988-89, suggest that a number of his fellow cabinet members had fears as early as the spring of 1988: "Norman rang to ask me to have lunch with Geoffrey, who was already lunching with Cecil, who was joining John for lunch with Peter, who had, unknown to us all, already accepted lunch with Norman. In the end, we decided to rationalise things by each lunching alone at separate restaurants and keeping in touch on our mobile phones.

"It emerged that we were all a little worried by the possible effect of the poll tax. We decided to voice our fears to the prime minister. Norman wondered if she might not be cross, but we all agreed that we must make a stand for the good of the nation. We left lunch vowing there and then to have it out with her at the earliest opportunity, possibly during autumn '91, or perhaps a little later. Sometimes, one simply must be seen to make a stand."

THE TIMES DIARY

Spring leaks

History suggests that the first mole hunt of John Major's term in office — to find the whisperer who leaked details of Michael Heseltine's poll-tax reforms — will end in failure. It is 153 years since the House of Commons committee of privileges was given the power to discipline anyone leaking select committee reports. Yet the steady drip drip of confidential information continues.

Last July Mrs Thatcher instructed the Cabinet Office to question civil servants about the leaking of Sir Charles Powell's report on the Chequers seminar on German unification. Eight months later, not a word has been heard about its findings. In January 1989, the premature disclosure of the draft of Kenneth Clarke's white paper on *NHS* reform to Robin Cook, of the Labour party, embarrassed the government. An enquiry was set up, but the mole was never found.

One of the most notorious leaks of Mrs Thatcher's tenure was of a letter from Sir Patrick Mayhew, the solicitor general, to her during the Westland affair. It contributed to the resignations of Sir Leon Brittan and Michael Heseltine, but the ultimate culprit was not identified, despite investigations by the cabinet secretary of the time, now Lord Armstrong. "Often there is an indication of where the leak is, but nothing certain," he says.

Sir Bernard Ingham, who during the Thatcher era was considered by many MPs to be the doyen of leakers, offers Major little consolation. "It's interesting to discover that leaks are still continuing since I left Downing Street," he says. "I used to be the one who always got the blame. Who can they blame now?"

Picture this

An unpublished letter from Evelyn Waugh just sold by Phillips reveals the novelist's wish to be an art expert. In July 1925, Waugh, then a fresh-faced 21, wrote to the director of the National Gallery in the hope of a job. "I am looking for work in London connected with art and Professor A. M. Hind has advised me to write to you in case there was by any chance room for me as a lecturer at the National Gallery."

A resumé of the young man's career to date follows, noting his third-class history degree from Oxford, his interest in painting (with a capital "P") and his practical knowledge of the subject gained at Heatherleys School, the inspiration for *Decline and Fall*.

Experts doubt whether Waugh would have had any more success as a lecturer than in his fruitless attempts to be a draughtsman, a printer, Charles Scott-Moncrieff's secretary, a parson, a carpenter, a journalist, or an employee in a toothbrush factory.

"It's unlikely he would have been a suitable lecturer," says Martin Stannard, of Manchester university, author of *Evelyn Waugh: The Early Years*. "He wouldn't have borne the drudgery of the job, though he was very knowledgeable about painting." The letter was sold for £480, by an unidentified vendor to an equally mysterious buyer.

Notable gift

The 75th birthday tributes to be showered on Sir Yehudi Menuhin next month include a specially-scored gift from Rodion Shchedrin, the present-day Russian composer. The two musical maestros, firm friends and ideological soul-mates, will attend a concert at the Royal Festival Hall at which Menuhin plans to conduct the Royal Philharmonic Orchestra première of Shchedrin's *Prayer*.

The work was inspired by a prayer Menuhin wrote when he received an honorary doctorate from Louvain university two years ago. "I would describe it as a universal prayer," he says. "It's not confined to a particular religion or creed, but was meant to express the spiritual essence of all the great religions and their relevance to the present day."

Shchedrin's piece is scored for mixed choir and orchestra. "It moves along as a flowing narrative," says Shchedrin, who is best known for his orchestral suite, *The Little Hump-Backed Horse*. The première will be the highlight of a concert at which Menuhin will also perform two of Beethoven's Romances. The finale will be a rendition of Beethoven's Ninth, conducted by Menuhin. "I can think of no work more suited or more appropriate to a man's coming of age," says Menuhin, for whom threescore years and fifteen clearly have no sting.

Act of friendship

Nobody will be more pleased than Vaclav Havel that one of his plays is to be seen on the Irish stage for the first time. The Czech playwright-president has long admired the Irish theatre, and cites Samuel Beckett as a key influence on his work. "Havel's humour is like Beckett's," says Maeliosa Stafford, who is directing his *The Increased Difficulty of Concentration* in Galway later this month. "It's dry and sardonic, the sort that grows out of desperation."

Such was their mutual admiration that when Beckett dedicated his play *Catastrophe* to Havel, the president returned the compliment and dedicated his work, *The Mistake*, to Beckett. Stafford hopes Havel will attend the Druid Theatre Company production, and has despatched an invitation to Prague. The president could slip into the stalls during his state visit to Ireland in May.

● *Virgin Atlantic and British Airways are squabbling over BA's slogan "The world's favourite airline". Virgin was the only British airline in the top notch in a recent passenger survey and Richard Branson, the carrier's boss, is now planning his own advertising campaign hijacking the slogan. BA claims its line refers to volume of passengers. "We carry more international passengers than any other world airline," says a spokesman. Virgin is unimpressed. "By that logic, the M25 is the world's favourite motorway."*

Budget Diary, page 11.

RECESSION UNRELIEVED

Even the Chancellor's autumn statement in December gave a clearer idea of the state of public finances than yesterday's Budget. Entry into the European exchange-rate mechanism appears to have "capped" the cabinet's interest-rate policy. The previews of Budget judgments by spin doctors, to enable the markets to pre-absorb any shocks, have led to every option being discounted. And to crown everything, this year the prime minister announced that the second half of Budget day will be tomorrow, when the full implications of the switch out of poll tax are to be revealed.

That does not make the Budget any less worthwhile as a moment of annual stocktaking. Britain is deep in a recession that now afflicts manufacturing and services, north and south, and is to yield a fall in domestic product of 2 per cent this year. Policy helped produce this damage, both in encouraging inflation and then encouraging recession. When businesses hit a wall of pain last summer — attributed by Norman Lamont yesterday to the Gulf — policy seemed paralysed. Blighted by Tory leadership turmoil, the measures needed for recovery have been delayed six months. What does the Budget do to encourage that recovery?

Mr Lamont appears to feel that recovery will take place largely unaided by him. Precisely why it should do so is less clear. As the Chancellor admitted, identifying economic turning points is a hazardous business. Taxed on the point, a certain vagueness comes over the Treasury. The watchword is confidence; confidence now the war is over, confidence as inflation comes down and real incomes therefore grow, confidence in lower interest rates, confidence that the poll tax will no longer terrify consumers.

But confidence is a tender plant, especially when the Chancellor has chosen to pour so little water onto its roots. Since the precise implications of the switch of the huge sum of £4.25 billion from poll tax to VAT are uncertain, the spotlight must fall on interest rates. Last autumn the Treasury threw sterling into the ring with the Deutschmark bull and now feels it can do little to stop it being tossed hither and thither. *The Times* believed interest rates should have been cut in early winter and continues to believe they should be cut, even at risk to sterling's international value.

Mr Lamont declared yesterday he had no choice but to honour the commitment to ERM and so had no room for manoeuvre. His predecessor, Sir Geoffrey Howe, cut rates by 2 per cent in his recession Budget of 1981: such is the loss of sovereignty resulting from the move towards European monetary union. Mr Lamont can only plead with the exchange markets to believe that British commerce can survive alongside the Deutschmark. Recovery is now a profession of faith, nailed to a German banker's door. He may yet be able to cut interest rates, if the markets believe his inflation predictions. But he did not do so yesterday; and without such a cut, his Budget is like Hamlet without a prince.

The recession has sent the public sector into a predicted deficit of £8 billion. In his fearful financial orthodoxy, Mr Lamont has refused to add to that, insisting on fiscal neutrality. The bulk of the Budget's energy has been expended on relieving the poll tax. After absorbing some £10 billion of reliefs over the past two years, this tax must now rank among the true monstrosities of postwar politics. It is Margaret Thatcher's curse, left to blight those who overthrew her. A quarter of those liable have yet to pay. This year, even before the Budget, half were due to have their payments reduced. Central government will meet as much of local expenditure as it did in 1979, not because it needs to but because the politics of flat-rate taxation demands that it should. The specific method of meeting the political imperative is by a flat-rate subsidy to every poll-tax payer, a system as crude as the original flat-rate impost itself.

The shift from personal taxes to expenditure taxes is not, in itself, a bad thing. VAT is a "voluntary" tax, though whether the switch is regressive or not will depend on the form of property tax announced later in the week. The risk is that Mr Lamont's bribe — the nearest thing any British government has come to handing out fivers on the street corner — will increase underlying inflation. Only because of the statistical aberration that includes poll tax in the retail prices index is the Chancellor able to pretend that he is not risking higher prices by the switch. Higher VAT will depress consumer spending just when it needs boosting. The downwards pressure on high-spending local councils will be relaxed. Such is the curse. But provided the handout to local councils does not mean some policy quid pro quo tomorrow, such as switching education to central control, it need not be wrong in the long term. The switch should enable a smooth transition back to a property based local tax.

The rest of his Budget is mostly autopilot stuff. Mr Lamont must spend his time watching exchange rates and market confidence, bound by the same spell that gripped Selwyn Lloyd, Roy Jenkins and James Callaghan. But one good can come from ERM entry. Chancellors should at least be compelled to direct their attention to one task still within their grasp, increasing the competitiveness of British commerce. If they will not allow exchange rates to do this, then they must use such power as remains to them to work directly on costs. Herein lies a sound cause for Mr Lamont and his colleagues.

The Treasury has long held to a consistent tax philosophy, that of a level playing field as between different elements of private income and expenditure. It has fought ceaselessly against reliefs and allowances, be they for mortgage interest, company cars, charitable giving, business expansion, health care or trees. It has rightly held that most reliefs are distortions, and being ordained by politicians are therefore distortions in the wrong direction. Virtue is clearly on the way to being rewarded as Mr Lamont, albeit somewhat timidly, put further pressure on the company car perk, the mobile phone perk and mortgage interest subsidies. He rightly said that the next economic upturn must not feed savings through into housing. Complete abolition of mortgage interest tax relief would have carried more conviction.

Yet because some reliefs are bad, that does not mean they all are. Taxation policy round the world is a tool of constructive economic policy. Mr Lamont's optimistically entitled "Budget for business", despite no interest rate cuts, recognised this. While the changes in company taxation were hardly spectacular, the help to small firms is welcome. Indeed, Mr Lamont showed a sincere awareness of the hardship experienced by the small employer at the hands of his department over the years. By taking more small firms out of the ambit of VAT, corporation tax and capital gains tax, he will have done something to recover his ground among those hit hardest by the recession. Small savers were given further encouragement, though again not spectacularly.

But from all this — even his brave gesture in defence of child benefit — little will be remembered apart from the VAT/poll-tax switch. And for more of this the nation must await the second half of the Budget speech, from Michael Heseltine tomorrow afternoon. By the end of that, the political and electoral map of Britain could indeed look different.

A DIET OF LEAKS

Michael Heseltine is more the victim of leaks than the perpetrator. Bryan Gould, his Labour opposite number, should have remembered this before he criticised him yesterday. Mr Heseltine ought to be sacked, Mr Gould said, for leaking details of the latest alternative to the poll tax. On the contrary, Mr Heseltine may deserve the Order of St Bernard, named after one who was a master of the hands-off leak, for services to open government.

Monday's leak was dripping away into receptive journalistic buckets while its putative source was in an aircraft, a crafty piece of political conjuring. But why should such subterfuge be necessary to keep the government in touch with the governed? The review of local government taxation now nearing its end has turned — if the leaks are to be believed — into a radical reform of local government root and branch, affecting every citizen and many of the most important functions of the community. There was stuff here for half an election manifesto. If the people have not been consulted, at least they have been leaked to, a poor second but better than nothing.

Mr Heseltine himself was the victim of the greatest leak of the last decade, when the Press Association was fed details by the Department of Trade and Industry of a confidential legal opinion on the Westland affair written by Sir Patrick Mayhew, the Solicitor-General. Much fuss there was, but little enough of it on behalf of the public, which learned only by accident something it had a perfect right to know.

Sources are now saying — leaking, to be exact — that Mr Heseltine's current review of the poll tax has been dogged by unhelpful leaks from political colleagues (for which read enemies). As a sheepdog nudges its flock forward by a combination of running, standing still and yelping, it is said that Mr Heseltine has been ushered towards the hole in the fence others wanted him to go through by roping off his alternative escape routes with derisory leaks. But the trouble with leaks, even leaks about leaks like this one, is that nobody can be sure they are true.

Those leaks that happen "by mistake" often have to be built into a story by further detective work. The most notorious and indeed most innocent of these was Hugh Dalton's famous Budget leak in 1947, which cost him his job. Deliberate leaks, on the other hand, always come with malice aforethought. There is the leak itself, deemed helpful; there is always more information that is not leaked, deemed unhelpful; and there is the reason for the leak, some political advantage the leaker seeks to gain. The classic of this age was Sir Leon Brittan's part in the Westland leak, which cost him his job and nearly cost Mrs Thatcher hers.

Then there is the leaked lie, a two-edged weapon which can be as dangerous to the wielder as it is to the victim. Its practitioners combine Mr Speaker Weatherill's description of parliamentary politics — the continuation of civil war by other means — with Winston Churchill's remark that truth in war needs the protection of a bodyguard of lies. Leak a high version of a forthcoming inflation rate, the theory goes, and when the actual figure is announced at a lower figure, the public will be pleased and the leak refuted.

So Mr Heseltine may after all have no plans for the abolition of county councils or local education authorities, as well leaked, but is merely preparing the nation and his party for a sensible return to the rates. All the rest were mere scare stories and "nothing to do with him". Local government has been saved, the nation is supposed to cry, what a relief and well done, Michael!

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XN. Telephone 071-782 5000

Lessons to be learned from the Birmingham Six case

From Judge N. E. Beddard

Sir, I do not seek to comment upon, still less to excuse, the self-evident failure of our criminal justice system in the case of the Birmingham Six; but I would plead that, in all the natural concern about the circumstances surrounding the plight of the six men, we should not forget the more direct victims of the bombings, those who were killed or injured and their relatives, for whom the only consolation over the years has been the belief that the perpetrators were safely behind bars.

Nor should we forget who are the real villains in this tragedy. They are not, surely, the people who form the component parts of our criminal justice system, however inadequate any of them may be shown to have been. The true villains are the terrorists who carried out the bombings and have been content to see innocent men rot in jail while they are free to plot and execute further outrages.

We should not give the terrorist organisations the satisfaction of seeing that, now one wrong has been righted, at least in part, all our indignation is turned away from them and directed instead at the very system by which we try to protect our freedoms.

Is it naive to feel some disappointment that, in the understandable mixture of euphoria and bitterness felt and expressed by the six men, their supporters and advisers in the last few days, there has been so little criticism, let alone bitterness, voiced about the role of the Provisional IRA in this terrible affair?

Yours faithfully,
NICHOLAS BEDDARD,
The Crown Court at Snaresbrook,
Hollybush Hill, E11.
March 18.

From Mr J. C. K. Mercer

Sir, The events which led to the conviction and imprisonment of the Birmingham Six happened years before the last Royal Commission on Criminal Procedure began its enquiries. A very high percentage of its recommendations were adopted and embodied in the Police and Criminal Evidence Act 1984.

This was followed by codes of practice governing the treatment of suspects and prisoners during the investigative procedures, both in and out of custody. It is still not impossible for police officers to misbehave in their treatment of suspects, but it is much more difficult than it used to be. The view has been expressed that if the law and practice now in force had been in force at the time of the Birmingham Six arrests, it would not have been possible for the prosecution to secure any conviction.

The remit of the new royal commission is very wide indeed. Adequate time must be allowed for investigations to be properly considered. There is no point in rushing, merely because it seems to be politically or otherwise desirable to find a speedy solution.

As for demands that we should abandon the adversarial system of trial and change it to the inquisitorial, I shudder to think of the consequences. It would certainly take 20 years to do it. Are we to assume that the supporters of the inquisitorial system say that it never suffers the occasional miscarriage of justice?

Yours faithfully,
JOHN C. K. MERCER
(Member, Royal Commission on Criminal Procedure, 1978-81),
334 Gower Road, Killay,
Swansea, West Glamorgan.
March 15.

From Mr Robert Pé

Sir, Section 76 of the Police and Criminal Evidence Act 1984 allows the trial judge to exclude a confession if he regards it as "unreliable" and section 78 allows him to exclude evidence if it would be "unfair" to admit it.

We are told that judges are inclined to exercise this discretion where the Act's code of practice has not been complied with and in particular where the accused has been denied his right to legal advice.

However, would it not be more effective in such cases to exclude any statement made by the accused before he had been allowed to see a solicitor? If necessary, the trial could be adjourned for the police to re-interrogate the accused, this time with a solicitor present.

At the outset this procedure might prove costly but would soon result in the police ensuring that suspects be given their right to legal advice and, one hopes, to justice.

Yours faithfully,
ROBERT PÉ,
Lansdowne, Ratham Lane,
Bosham,
West Sussex.
March 14.

From Mr J. E. Plummer

Sir, The Police and Criminal Evidence Act gives statutory recognition to the right of a suspect to have a solicitor present during his interview, a notable exception being in some terrorism cases. It is my experience as an administrator of the local duty solicitor scheme that the police no longer resent the presence of a solicitor during an interview as it gives credence to any confession that is made. In the light of recent cases, it is very difficult for a defendant to retract his confession if he has had a legal representative present.

Rather than call for the abolition of uncorroborated confessional evidence, as one now hears in the wake of the Birmingham Six case, would it not be better to amend the Prevention of Terrorism Act so that a suspect has the right to legal representation immediately?

Yours faithfully,
JAMIESON PLUMMER,
Plummer, Forsham & Harrington
(Solicitors),
The Beeches, Bridge Street,
Thetford,
Norfolk.
March 15.

From Lord Devlin

Sir, I am one of those who have for years past doubted the guilt of the Birmingham Six as well as of the Guildford Four and the Maguires. We have also given thought to analysing the causes of these disasters, not excluding judicial error, to devising ways of preventing their repetition and of persuading the public and the powers that be of the need for them. Our efforts will be hampered by the ignorant and offensive article about Lord Lane and Lord Bridge by Bernard Levin which you print today.

Sincerely,
DEVLIN,
West Wick House,
Pewsey,
Wiltshire.
March 18.

Scientific evidence

From Professor Sir Frederick Warner, FRS, FEng

Sir, Lord Scarman ("Justice in the balance", March 5) suggests an independent scientific service for the Crown Prosecution Service providing advice to all parties in criminal trials. There is an example worth studying in the enquiry on the Flixborough disaster (1974).

I was appointed to advise Treasury counsel on the scientific and engineering aspects, but at the first formal meeting of the enquiry its chairman (now Lord Justice Parker) directed that responsibility would be to the court and that material would be provided to all parties. It meant that the police and also the Factory Inspectorate handed over their responsibilities.

At a later stage, an engineering member of the court chaired meetings with all scientific advisers to the parties. These showed that it is possible for scientific advisers to disagree. This danger is inherent in any suggestion that an attempt should be made to obtain agreement before hearings.

The investigations brought together expert advice from the universities of Leicester, Sheffield and Aston, Imperial College and University College, London, as well as the Safety in Mines Research Establishment, to which was added the valuable research of one of the parties, Dutch State Mines. The evidence was tested throughout in the adversarial procedure of the enquiry.

Yours faithfully,
FREDERICK WARNER,
University of Essex,
Department of Law,
Wivenhoe Park, Colchester, Essex.
March 6.

'Virgin births'

From the President of the British Psychological Society

Sir, The British Psychological Society welcomes the decision of the Statutory Licensing Authority, set up under the Human Fertilisation and Embryology Act, to ensure that sperm donors are given detailed psychological counselling (report, March 13).

This whole area of fertility treatment has the potential for causing psychological distress for everyone involved. Our hope is that the code of conduct covering the counselling will specifically mention the need to use only chartered psychologists, as these are the only professional psychologists working who are covered by an independently overseen code of practice and have achieved a specified level of qualifications.

Yours sincerely,
P. E. MORRIS, President,
The British Psychological Society,
St Andrews House,
48 Princess Road East,
Leicester.
March 13.

From Mrs Penelope Tremayne

Sir, Several women are being counselled to see if they are suitable to have "virgin births".

How comforting to know that our society has a pool of persons qualified in this field. Are men serving as counsellors? Or can they look forward to receiving counsel, so that they too may claim their right to this enhancement of the quality of life? Doubtless counsellors are already available to readjust virginally-born children.

Yours faithfully,
PENELOPE TREMAYNE,
Kestle,
Wadebridge, Cornwall.
March 11.

Employment issues

From the General Secretary of the British Youth Council

Sir, The various reports concerning rising unemployment and the lack of funding for training featured on your home news pages today, such as "Britain tops EC scale of rising unemployment" (March 11), made for depressing reading for anyone about to leave school or college.

It is not often that the concerns of young people are matched by those of their future employers but here there appears to be unanimity — not simply concerns about rising unemployment but, more particularly, over inadequate training opportunities.

Having successfully raised the profile of training for both employers and their future employees, the government now needs to back up its rhetoric with proper financial resources. If it does not, then in addition to unemployment, young people leaving school and college in the coming months will be faced with perhaps the more daunting prospect of underemployment; that is of no use to them nor to our failing economy.

Yours faithfully,
GRAHAM HITCHEN,
General Secretary,
British Youth Council,
57 Chalton Street, NW1.
March 11.

From Professor Gordon Pepper

Sir, An explanation for the current high level of unemployment in east Germany (report, March 19) is that the workers there are too expensive to employ. This is because a wrong rate was chosen for the exchange of Ostmarks for Deutschmarks during reunification. It is a classic example of what can happen when politicians set exchange rates.

Yours sincerely,
GORDON PEPPER,
City University Business School,
Centre for Financial Markets,
Frobisher Crescent,
Barbican Centre, EC2.
March 19.

Different disciplines

From the Director General of the Engineering Council

Sir, The Royal Mail has honoured Michael Faraday (electricity), Charles Babbage (computer), Sir Frank Whittle (jet engine) and Sir Robert Watson-Watt (radar) by depicting their achievements and names on the current series of stamps.

However, the Royal Mail first day cover envelope and the accompanying text describe their achievements as "scientific". They also talk of "scientists". Nowhere do the words engineering or engineers appear. We would claim that they were engineering feats.

Describing engineers with such loose abandon confuses rather than helps the teaching and engineering professions in their efforts to explain the differences between the engineering and science disciplines. The correct identification of these engineers on the series of stamps would have helped enormously in the various campaigns to attract more young people into engineering at a time when the country is in dire need of them.

Yours sincerely,
DENIS E. FILER,
Director General,
The Engineering Council,
10 Maltravers Street, WC2.
March 7.

Eating out

From the Managing Director of the Savoy Group of Hotels and Restaurants

Sir, Jonathan Meades's weekly rambling through the restaurant trade recently took in Simpson's-in-the-Strand (Food and Wine, March 9). Whilst agreeing that a journalist is entitled to his subjective views, in this case about the roast beef and the decor, he should get his facts straight before setting pen to paper, and not let his strong personal opinions distort his journalist's vision.

Whilst Mr Meades is known for his amusingly written and caustic critiques, I should like to make two points. First, he writes: "I sat in Simpson's surrounded by tables of French and Japanese", thereby implying that Simpson's is frequented only by large groups of foreigners. This is not so. Indeed, Mr Meades visited Simpson's when the Gulf war was at its height, and London had relatively few French or Japanese visitors and certainly no large groups. If he had that impression of Simpson's, then Simpson's was extremely fortunate.

The second point is more serious. Again I quote: "But also because this is where pimpish cab drivers lead them, and hotel porters on the take, and duff guidebooks". The Savoy Group has never, and never will, pay cab drivers or hotel porters to recommend any of its restaurants. As for guidebooks, it is debatable which are "duff", but again we have never, and never will, pay for inclusion.

Furthermore, Simpson's has been in business for over 150 years. How many other London restaurants can boast of such longevity? It must have been doing something right all that time, or it would be out of business like so many of its more modern competitors, who, for all I know, may have been more to Mr Meades's taste.

Yours faithfully,
G. R. C. SHEPARD,
Managing Director,
The Savoy Group of Hotels and Restaurants,
1 Savoy Hill, WC2.
March 18.

Letters to the editor should carry a daytime telephone number. They may be sent to a fax number — (071) 782 5046.

Planning control on wind farms

From Dr Andrew D. Garrad

Sir, On March 12 you reported the Countryside Commission's views on the development of wind farms. The commission suggests the imposition of an embargo on "controversial proposals". Such a blanket embargo runs contrary to accepted practice. A basic tenet of planning control is that each application is considered on all its merits.

It is very difficult for the public, and its representatives, to form a view on the merits of such schemes. The Countryside Commission acknowledges the value of clean power and yet, through Sir Derek Barber's statement, puts a large obstacle in its way. It thus hinders the formation of an objective assessment of the balance between environmental benefit and visual intrusion.

Viscount Astor announced in the Lords, early last month, that "the government are addressing the need for planning policy guidance on the specific issue of renewable energy resources". It is vital that the exploitation of Britain's wind resource is considered in this context, so that global and local aspects of the problem may be balanced.

Yours faithfully,
A. D. GARRAD
(Vice-chairman),
British Wind Energy Association,
4 Hamilton Place, W1.
March 14.

From Mr Francis O. J. Otway

Sir, Perhaps I should reassure the Countryside Commission that there is no risk of thousands of wind turbines being erected in this country, and certainly not of them being sited as close together as they are in some parts of California, for instance. The variability of wind direction in Britain means that they will need to be fairly widely spaced — 300 metres between machines if they have blade diameters of 30 metres — to avoid interference effects.

Nowadays windmills are seen as objects of beauty. May not the same be true of wind turbines in, say, 30 years? Already public reaction is favourable, by and large, to the few turbines so far installed.

A small number of wind farms should now be constructed and made operational, so that the general public and the Countryside Commission can see their acceptability for themselves. Instead of obstructing such proposals could not the commission help to select a limited number of farm sites with annual mean wind speeds of between 15 and 20 mph? Why should the whole of national parks be "no-go areas"?

Yours faithfully,
FRANCIS O. J. OTWAY,
Corvara, Cotswold Mead,
Painswick, Stroud, Gloucestershire.
March 12.

From Mr R. C. G. Cooke

Sir, So the Countryside Commission is opposed to the siting of some wind turbines. How quixotic.

Yours faithfully,
R. C. G. COOKE,
Daventry House, Bushbury Road,
Wolverhampton, West Midlands.
March 12.

An older Russia

From Mr R. E. M. Lawson

Sir, One small but attractive contribution which could be made to the restoration of Leningrad's pre-revolutionary "image" (Diary, March 11) is the reopening of the St Petersburg real tennis court, built for Catherine the Great and now the gymnasium of the university. It has until recently been out of bounds to foreign visitors because of its use for physical training by the local military garrison; but I have been told by a leading British player and writer who did manage to see the court that it would, with very little refurbishment, be playable once again.

The court could perhaps be opened with a demonstration match between Russian players and representatives from all those real (royal) tennis courts (Falkland Palace, Hampton Court, Oxford University and others, including those in France) which were in existence when the St Petersburg court was built.

Yours faithfully,
RUSSELL E. M. LAWSON,
Oxford University (Real) Tennis Club,
Merton Street, Oxford.
March 11.

From Mr Paul de Raymond Leclercq

Sir, Your Diary item puts me in mind of the story of the old Russian who, when asked in an interview "Where were you born?" replied "St Petersburg". "Where did you go to school?" "Petrograd". "Where do you work?" "Leningrad". "Where would you like to work?" "St Petersburg".

Yours etc.,
P. de R. LECLERCQ,
78 Townmead Road, SW6.

Out on a limb

From Mr Peter L. G. Bateman

Sir, Has nobody explained to Alan Coren (... and moreover, March 12) that the squirrel is simply a rat with good public relations?

Yours truly,
PETER L. G. BATEMAN,
Poynings, The Limes,
Felbridge,
East Grinstead, West Sussex.
March 13.

COURT CIRCULAR

BUCKINGHAM PALACE
March 19: The Queen held an Investiture at Buckingham Palace this morning.

His Excellency Mr Abdeslam Zenined and Mrs Zenined were received in farewell audience by Her Majesty and took leave upon His Excellency relinquishing his appointment as Ambassador Extraordinary and Plenipotentiary from the Kingdom of Morocco to the Court of St James's.

The Right Hon John Major, MP (Prime Minister and First Lord of the Treasury) had an audience of The Queen this evening.

The Hon Mary Morrison has succeeded Mrs John Dugdale as Lady in Waiting to The Queen.

The Duchess of York this afternoon attended a Service of Celebration to commemorate the 50th Anniversary of Age Concern, England and the 5th Anniversary of Age Concern, Hampshire, in Winchester Cathedral.

Her Royal Highness was received by Her Majesty's Lord-Lieutenant for Hampshire (Lieutenant-Colonel Sir James Scott, Bt).

Mrs John Spooner was in attendance.

KENSINGTON PALACE
March 19: The Prince of Wales addressed a conference on environment and development organised jointly by *The Observer* and the International Institute for Environment and Development, at the Queen Elizabeth II Conference Centre, SW1.

Commander Richard Aylard, RN, was in attendance.

His Royal Highness, Colonel-in-Chief, 5th Inniskilling Dragoon Guards, gave a lunch for Major General Richard Keightley and Major General Patrick Brooking at Kensington Palace.

The Prince of Wales received Mr Barber Conable and Professor Jose Goldemberg at Kensington Palace.

His Royal Highness opened Britannic House, the corporate Headquarters of British Petroleum plc, Finsbury Circus, EC2.

Major General Sir Christopher Airy was in attendance.

The Prince of Wales, Patron, Royal Society for Nature Conservation, gave a reception in aid of the Society at Kensington Palace.

His Royal Highness gave a dinner for the Chief Rabbi at Kensington Palace.

The Princess of Wales opened the new offices of Ackrills Newspapers Ltd, 1 Cardale Park, Harrogate.

Subsequently, Her Royal Highness visited Harrogate District Hospital, Lancaster Park Road, Harrogate.

Finally, The Princess of Wales opened the Court House, Victoria Avenue, Harrogate.

Miss Alexandra Loyd and Squadron Leader David Barton, RAF, were in attendance.

KENSINGTON PALACE
March 19: Princess Alice, Duchess of Gloucester, Patron, Girls' Public Day School Trust, accompanied by The Duke and Duchess of Gloucester, this evening was present at a concert to mark the 120th Anniversary of the Trust at the Royal Albert Hall, London SW7.

Mrs Michael Harvey was in attendance.

The Duke of Gloucester today visited Cheshire and was received by Her Majesty's Lord-Lieutenant (Mr William Bromley Davenport).

In the morning His Royal Highness visited Catalyst — the Museum of the Chemical Industry, Mersey Road, Widnes, and opened the extension at Bishop Heber County High School, Malpas.

The Duke of Gloucester later opened Kingfisher Court Sheltered Housing Scheme, Chester.

Major Nicholas Barne was in attendance.

YORK HOUSE
ST JAMES'S PALACE
March 19: The Duke of Kent, Honorary Air Vice-Marshal, was this morning present at Royal Air Force Brize Norton, Oxfordshire, for "The Reception of Those Who Gave Their Lives For Their Country In the Gulf".

Captain the Hon Christopher Knollys was in attendance.

The Duchess of Kent, Patron of the British-Soviet Hospice Society, this afternoon received Mr Victor Zorza.

THATCHED HOUSE LODGE
March 19: Princess Alexandra this afternoon opened Rothesay Court, sheltered flats operated by the Royal Scottish Corporation (London's Ancient Scottish Charity), at Le May Avenue, Grove Park, London SE12.

The Lady Nicholas Gordon Lennox was in attendance.

Today's royal engagements

Queen Elizabeth the Queen Mother will attend the annual meeting of Queen Mary's Clothing Guild at St James's Palace at 2.55.

The Duchess of York, Countess of Inverness, will visit the Highland Hospice, Inverness, at 11.35; visit The Royal Northern Infirmary, at 12.30; and attend a reception at the Town House at 1.05. Later, she will visit Dalneigh Children's Centre, Inverness, at 2.15; and Raigmore Hospital at 2.50.

Princess Margaret will preside at the annual council meeting of the NSPCC at the Barbican Centre at 11.30.

Inner Temple

Transitional awards (first tranche) 1991

Pamela Abrams, LLB of Central London Poly, £3,000; Kyriakos Argyropoulus, BA of York Univ and Diploma in Law of City Univ, £2,000; Katrina Avery, BA of Univ of Kent and CPE of Central London Poly, £3,000; Ellis Baker, BA of Queens' Coll, Cambridge, Accommodation Award and £2,500; Benjamin Brandon, BA of Warwick Univ and Diploma in Law of City Univ, Accommodation Award and £2,750; Paul Brown, LLB of Univ of Canterbury, New Zealand and PhD of Gonville and Caius Coll Cambridge, £3,500; Safwaki Changa, BSc of Bristol Univ, £3,500; Simon Driver, BA of Reading Univ and CPE of Manchester Poly, £3,000; Edmund Eldervill, BA of Univ of East Anglia and CPE of Poly of Central London, £2,000; Gabriel Fadipe, BA of Univ of Kent and MA of Bordeaux Univ, £4,000; Stephen Ferguson, BA of St Edmund Hall, Oxford, Accommodation Award and £1,000; Annalissa Garrett BA of Durham Univ, Accommodation Award and £2,500; Simon Hargreaves, BA of Worcester Coll, Oxford, £3,000.

Frances Keene, BA of Nottingham Univ, £2,000; Alexander Leitch, BA of Bournemouth Poly, £3,500; Paul Marshall, BSc of Magdalene Coll, Cambridge and BA of LSE, £2,000; Andrew Nicol, BA of Corpus Christi Coll, Cambridge, £2,000; Russell Pyne, LLB of Bristol Univ, Accommodation Award; James Robinson, LLB of Reading Univ, £2,000; Elizabeth Russ, BA of Worcester Coll, Oxford, Accommodation Award; Tariq Shakoor, BA of Lancaster Univ and CPE of Coll of Law, Chester, £4,000; Ian Shiels, BA of Leeds Univ, BA of Univ of Iceland and DPhil of Lady Margaret Hall, Oxford, £4,000; Mary-Emma Smith, BA of Trinity Coll, Cambridge and CPE Central London Poly, Accommodation Award and £2,750; Scott Sullivan, LLB of Southampton Univ, Accommodation Award and £2,500; Jane Walker, BA of St Hugh's Coll, Oxford and CPE of Poly of Central London, £2,000.

Anniversaries

BIRTHS: Thomas Morton, bishop, York, 1564; Jean-Antoine Houdon, sculptor, Versailles, 1741; Henrik Ibsen, dramatist, Skien, Norway, 1828; Hugh Maclennan, novelist, Nova Scotia, 1907; Sir Michael Redgrave, actor, Bristol, 1908.

DEATHS: Henry IV, reigned 1399-1413, London, 1413; Sir Isaac Newton, London, 1727; Lajos Kossuth, Hungarian nationalist, Turin, 1894; George Nathaniel Curzon, 1st Marquess Curzon of Kedleston, viceroy of India 1898-1905, London, 1925; Ferdinand Foch, Marshal of France, Paris, 1929; Henry Handel Richardson, pseudonym of Ethel Florence Richardson, novelist, Fairlight, Sussex, 1946; Brendan Behan, writer, Dublin, 1964.

Appointments

Air Vice-Marshal P. T. Squire to be Senior Air Staff Officer Headquarters Strike Command, from March 22, in succession to Air Vice-Marshal R. E. Johns.

Mr Robert Frederick Naylor to be joint District Judge for the Portsmouth group of county courts and joint District Judge in the district registry of the High Court at Portsmouth, from April 15.

Birthdays today

The Very Rev William Baddeley, 77; Mr Christopher Benstead, racehorse trainer, 63; Mr Anthony Blond, publisher, 63; Sir Arnold Burgen, former Master, Darwin College, Cambridge, 69; the Right Rev M.J. Conti, Bishop of Aberdeen, 57; Dame Vera Lynn, singer, 74; Mr A.M. M'Bow, former director-general, Unesco, 70; Sir David Montgomery, former chairman, Forestry Commission, 60; Mr Brian Mulroney, Canadian Prime Minister, 52; Mr Jeremy Nichols, headmaster, Stowe School, 48; Dr John Rae, former Head Master of Westminster School, 60; Mr Sviatoslav Richter, pianist, 76; Mr Justice Saville, 55; the Earl of Seafield, 52; Mr Adrian Snow, former headmaster of The Oratory School, 52.

Dinners

Lord Mayor of Westminster
The Lord Mayor and Lady Mayoress of Westminster were hosts at the City of Westminster's annual reception and dinner held last night at the Inter-Continental Hotel. Among the guests were:

Members of the Diplomatic Corps, members of both Houses of Parliament, mayors of Greater London, representatives from the church, the judiciary, HM Forces, the emergency services, the arts, commerce and voluntary and charitable organisations.

Coachmakers' and Coach Harness Makers' Company
Mr Gerald Boxall, Master of the Coachmakers' and Coach Harness Makers' Company, presented the motor car centenary bursary to Mr James Watkins at the annual motor industry dinner held last night at Fishmongers' Hall. Sir David Plastow, Mr Robert Croall and the clerk of the company also spoke.

Malvern College

The following awards have been made:

Porch Scholarship: T J Hawkins, The Cathedral School, Llandaff; Major Scholarships: R M Aston, Northwood School; W A Middleton, Arnold Lodge, Leamington Spa; Minor Scholarships: C R F Cassidy, Hillstone, Malvern; C P Duerdoth, Dumpton, Wimbourne; P H Ingram, The Beacon, Chesham Bois; A P Masterman, Hillstone, Malvern; M H C Price, The Cathedral School, Llandaff; R D C Sanders, Newland House, Twickenham; A C Veal, Arnold Lodge, Leamington Spa; J-W B Young, Winchester House, Brackley.

Exhibitions: D J Adams, The Cathedral School, Llandaff; R A P New, The Cathedral School, Llandaff; O R A Rundell, Scaitcliffe, Englefield Green; D C Rundle, Tockington Manor, Bristol.

Music Scholarships: W A Middleton (Major), Arnold Lodge, Leamington Spa; T J Hawkins (Minor), The Cathedral School, Llandaff; J C Herod (Minor), Malvern College and Thorp House; O R A Rundell (Minor), Scaitcliffe, Englefield Green.

Art Scholarships: H P C Dalton (Major), Edinburgh House, New Milton; C R S Aylsford Sanford (Minor), Beaudesert Park, Minchinhampton; A Falconer (Minor) Emscote Lawn, Warwick.

Sixth Form Academic Scholarships: R Griffiths, Bristol Grammar School; C Ratcliffe, Homefield School, Christchurch; Sixth Form Exhibition: P Deacon, Warwick School; Sixth Form Art & Music Scholarship, J Aldred, Homefield School, Christchurch.

Gresham's School

Scholarships 1991

The "Edinburgh" Scholarship: James Hodges, Gresham's and Gresham's Prep; the "Fishmonger" Scholarship: Christopher Gadd, Gresham's and Gresham's Prep. Fishmongers' Company Scholarships: Adam Fogerty, Orwell Park, Jonathan Collett, Gresham's Prep, Charles King, Beeston Hall. Fishmongers' Company Scholarship for Art: Pollyanna Hardy, Gresham's and Boston High School.

Governors' Scholarship: David Copas, Gresham's Prep; Governors' County Scholarship: Sarah White, Gresham's and Beeston Hall; Governors' Scholarship (Continuation): Timothy Raine, Stoneygate School, Leicestershire.

OBITUARIES

JIMMY McPARTLAND

Jimmy McPartland, jazz musician, died on March 13 aged 83. He was born on March 15, 1907.

JAMES Dugald McPartland was a trumpeter and cornettist, in the legendary tradition of Bix Beiderbecke and a major influence on the early Chicago jazz school. He was the son of a music teacher who started him on the violin at the age of five and on the cornet at 15. He began to take a serious interest in jazz at Austin High School, and his first combo, composed of his brother, two schoolmates and other young instrumentalists, was known as the "Austin High School Gang". They performed and began recording in the nervously energetic style that was to become known as Chicago jazz.

At the age of 17 he joined the Wolverines, a famous jazz band of the 1920s which featured Beiderbecke on the cornet. McPartland eventually replaced him when Beiderbecke sought other avenues for his talents. McPartland joined the Ben Pollack orchestra — whose graduates included Glenn Miller, Benny Goodman, Jack Teagarden and many others who went on to lead their own organisations — and in the early 1930s he recorded with Goodman, worked in Broadway pit bands and played with Russ Colombo and Horace Heidt.

In 1936 he formed his own jazz group, abandoned it in 1941 and then played briefly with Teagarden before being called up into the US army in 1942. He took part in the Normandy landings and then played in a service show which entertained in north-west Europe in the wake of the invading allied armies. In 1945 in Belgium he met the British pianist Marian Turner then playing in *Bandwagon*, an ENSA show. They married in 1945 and as Marian McPartland she went on to a career in her own right as a broadcaster, performer and jazz pianist. After the war Jimmy McPartland continued to perform with his own groups around New York City and appeared in a television fantasy about jazz musicians called *The Magic Horn*. He also worked as a stage actor.

His style can be heard in several Brunswick, MGM, Victor and Decca albums while his work with the Wolverines can still be found on the "History of Classic Jazz" series on Riverside. One of his best-known records of the 1950s is *Shades of Bix*, while from the following decade *The Music Man goes Dixieland* is much admired. Though McPartland cannot stand alongside Bix Beiderbecke in terms of the latter's sheer jazz genius, there is much in their tonal approach that is similar and McPartland remains a memorable standard bearer of jazz cornet technique from that great era.

In an interview for his 70th birthday McPartland told a newsagency: "A pro is a pro. Unless you are in the hospital you've got to show up and do the best you can. I want to blow that horn as long as I can possibly play it." McPartland was in fact "blowing that horn" on club dates until into his eighties.

He and his wife divorced in 1970 after 25 years of marriage but remained friends and colleagues over the years, appearing together at the Newport jazz festival in 1978 and at the Nice jazz festival in 1985. By this time Marian McPartland was acknowledged as one of the foremost jazz pianists of her time. They remarried two weeks before his death.

THE REV DERRICK GREEVES

The Rev Derrick Greeves, Methodist church minister, broadcaster and writer, died on March 14 aged 77. He was born on June 29, 1913.

DERRICK Amphlet Greeves was a fourth generation Methodist minister, brother to two more and father to another. The line of continuity goes back to 1815, when the Rev John Greeves entered the Wesleyan ministry, only 24 years after John Wesley's death.

Derrick Greeves was born in Bowden, Cheshire, and educated at Bolton School, Preston Grammar School and Manchester University. He went to Wesley House, Cambridge, for his ministerial training and subsequently served as a circuit minister in Barnet (1938-39) and in Bristol Redland (1939-43). But it was during the war that his broadcasting skills came to the fore. He was a regular on the BBC's *Lift Up Your Hearts* and was later to take the first broadcast nonconformist communion service. He served as a member of the Central Religious Advisory Council and as a religious adviser on television. His collected broadcasts were published in *A Word In Your Ear* (1970).

In 1943 he was commissioned into the RAF and served as a chaplain in Wiltshire and Germany, where he had particular care for the RAF's moral leadership courses. After demobilisation Greeves returned to the circuit ministry, serving from 1947 to 1952 in Thornton Heath where he was also officiating chaplain at the WRAC Centre in Guildford, and Finsbury Park (1952-55).

In 1955 he was given what many regarded as the awesome task of following Dr William Sangster as superintendent minister at Westminster Central Hall. But the local circuit wanted a family church in the middle of London and the Greeves family felt that on those terms, they had something to give. The family car, an ex-London taxi, soon became familiar round the constituency. He reached young and old, sophisticated town dweller and the lonely and poor. On different occasions he gave away his coat to a tramp and the shoes off his feet to a hard-up case. Greeves saw the man with flapping footwear from his taxi, stopped and said: "What size shoes do you take? Try these." He continued his journey shoeless. He encouraged his ministers, built up the church fellowships and outreach to children and the young, and the church became a noted centre for young people working in London.

Derrick Greeves combined humour with true humility and was instrumental in bringing many people into the membership and ministry of the church, including actor and television producer, the Rev Frank Topping. His pre-breakfast Greek and Pauline theology classes became centres of excitement for those wanting to explore the gospels: they were generally followed by tea and a sandwich at a snack bar across the road.

After nine years at Central Hall Greeves was appointed to the superintendencies of Guildford (1964-69), Worcester (1969-74) and Salisbury Church Street (1974-78). During these years he started "church walks" as a way of keeping people together during the summer months. He also saw the building of a new church in Guildford and the start of another in Worcester.

Upon retirement he and his wife went to live in Cumbria where he was an active supernumerary in the Kirk Oswald Circuit and continued preaching, writing and painting. His sermons in the *Methodist Recorder* were object lessons for preachers. His other published works include *Christ in Me* (1962) and *Preaching Through St Paul* (1980).

Derrick Greeves is survived by his wife Nancy, one son and three daughters.

PILAR PRIMO de RIVERA

Pilar Primo de Rivera y Sâenz de Heredia, founder of the feminine section of the Spanish Falange, died on March 17 at the age of 78. She was born on November 4, 1912.

PILAR Primo de Rivera said in a recent radio interview, broadcast in Madrid shortly before her death: "I've always thought you have to take life as it comes." As a daughter of General Miguel Primo de Rivera, the dictator who ruled Spain for seven years before the advent of the second Spanish Republic, and a sister of José Antonio Primo de Rivera, the young lawyer who founded the fascist-rooted Falange, Pilar found that "life as it comes" for her meant unrelenting — and somewhat joyless — dedication to public affairs for 43 years. Eventually she outlasted all other high office holders of the Franco regime, even the generalissimo himself. Yet although she had been a stalwart of the Franco regime she was treated kindly by contemporary writers who acknowledged her devotion to the social interests of the Spanish people. Though coming of such formidable lineage she was, in truth, no political thinker.

When — accompanied by two female cousins and a girlfriend — Pilar tried to join the Falange at its inception in 1933 her brother rejected her. But she later convinced him that there was a role for women in his organisation and in 1934 she founded the feminine section of the Falange and became its national delegate. After José Antonio was executed in Alicante by Republican forces General Franco clipped the political wings of the Falange, incorporating it along with other organisations into what was to be known as the National Movement and naming her as one of its national councillors. Pilar Primo de Rivera retained that post and also continued as the leader of the feminine section until 1977, when the National Movement was disbanded to pave the way for the post-Franco democracy.

She was a member of the dictator's rubber-stamp parliament from its inception in 1942 until 1977, promoting women's rights to the limited extent to which she could under the Franco regime. She was among those responsible for giving the vote to women in the latter years of General Franco's rule, although unfortunately there were no free elections and the law only applied to married women.

Most Spanish women remember Pilar Primo de Rivera because of the once obligatory social service for young women. Just as men had to perform military service, young women also had to undergo training under the tutorship of the feminine section, usually away from home for brief periods. They were taught things deemed to be useful to society under the dictatorship, such as knitting sweaters, cooking and keeping alive traditional dance routines.

According to a story, which she always denied any knowlege of, told by the late Spanish politician and essayist, Ernesto Jiménez Caballero, her name was once mentioned to Magda Goebbels, the wife of Adolf Hitler's propaganda minister, as an ideal bride for Hitler. The idea behind the plan, according to Jiménez Caballero, was the restoration of an Austro-Spanish dynasty in Europe. In the event she never married. In her autobiography, *Recuerdos de una vida* ("Memories of a lifetime"), published eight years ago, she remarked, "Not forming a family of my own was my biggest sacrifice."

MICHAEL LANGDON

Leo Black writes:

MICHAEL Langdon had an additional musical talent — he was a fine singer of the many German Lieder that particularly demand a bass voice. One of his party pieces was Strauss's *Im Spätboot*, which he rounded off with an effortless and resounding low D-flat. (When his teacher was preparing him for his most famous role, Baron Ochs, they came to the final note of his part in Act Two of *Der Rosenkavalier*: basses without a real bottom E disguise the fact by singing into their glass of wine at that point. Jerger heard what Michael could do and said "Aha! Mer Brauch'n ka' Wein": no wine needed). There was even a BBC programme in which Michael and Janet Baker explored the early songs of Schoenberg. The only minor fly in the ointment appeared when he sang at the Queen Elizabeth Hall during the first BBC season of South Bank public recitals; on the concert platform without costume or make-up he seemed curiously reticent, unsure quite how to treat his audience. But that was forgotten the moment he opened his mouth.

Many of his Lieder performances are in the BBC's archives and one or two of them featured in the series *Mining the Archive* last year. It's to be hoped that Radio 3 will at some convenient opportunity let us hear them again.

University news

Cambridge
Sir Alec Guinness, the actor, and Mrs Mary Robinson, President of the Irish Republic, are among nine people nominated to receive honorary degrees from Cambridge University this summer. The names are subject to formal approval later this month.

The others honoured are Sir Alan Hodgkin, formerly Master of Trinity College; Professor Dorothy Wedderburn, industrial sociologist; Sir Leslie Martin, architect; Sir Alastair Pilkington, industrialist; Professor Paul Erdos, mathematician; Professor Pierre de Gennes, physicist; and Herr Stefan Heym, writer.

Heriot-Watt
Lord Mackay of Clashfern, the Lord Chancellor, is to succeed Lord Thomson of Monifieth as chancellor of Heriot-Watt University. Lord Mackay was the only nominee put forward by a joint meeting of the university's court and senate.

His installation as chancellor will take place on November 30, St Andrew's Day.

Wales
Dr D. J. Shale, of Nottingham University, has been appointed to the David Davies chair of respiratory and communicable diseases in the University of Wales College of Medicine, Cardiff, from July.

Warwick
Honorary degrees are to be conferred upon the following in July:

MA: Mr Joseph Besserman, formerly city secretary of Coventry; Mr David Moorcroft, athlete; Mr Philip Robinson, lord mayor of Coventry 1981-82; Mr Gordon Roberts, mayor of Solihull 1982.

DLitt: Mr Alfred Brendel, pianist; Mr Paul Hamlyn, publisher; Sir Sidney Nolan, artist; Commander Michael Saunders Watson, chairman, National Curriculum history working party.

DSc: Sir Graham Day, chairman, the Rover Group and Cadbury Schweppes; Dr Abdus Salam, Nobel laureate and founder and director, International Centre for Theoretical Physics in Trieste, Italy.

LLD: Mr Anthony Rudge, formerly chairman, Midlands regional board of Barclays Bank; Baroness Warnock, Mistress of Girton College, Cambridge.

Forthcoming marriages

Mr G.A. Bowman-Shaw and Miss A.L. Havergal
The engagement is announced between Andrew, eldest son of Sir Neville and Lady Bowman-Shaw, of Toddington Manor, Toddington, Bedfordshire, and Louise, daughter of Colonel and Mrs Malcolm Havergal, of Spero House, Hindon, Wiltshire.

Mr R.N.C. Bruce and Miss B.J.A. Clarke
The engagement is announced between Rupert, elder son of Mr and Mrs George Bruce, of Goring-on-Thames, Berkshire, and Belinda, elder daughter of Mr and Mrs Miles Clarke, of Malpas, Cheshire.

Mr P.F. Cannon and Miss A.M.J. Lambert
The engagement is announced between Patrick, youngest son of the late Mr Joseph Cannon and of Mrs Annie Cannon, of Kettering, Northamptonshire, and Annabel, elder daughter of Major and Mrs Miles Lambert, of Halesworth, Suffolk.

Mr I.D.H. Gibbs and Miss A.F. Loudoun-Shand
The engagement is announced between Ian, only son of the late Mr Donald Gibbs and of Mrs Gibbs, of Kingston-near-Lewes, East Sussex, and Arabella, daughter of Mr and Mrs Keith Loudoun-Shand, of Bures, Suffolk.

Mr P.E. Lea and Miss A.C. Fox
The engagement is announced between Piers, younger son of His Honour Christopher Lea and Mrs Lea, of Simms Farm House, Mortimer, Berkshire, and Annabel, elder daughter of Mr and Mrs William Fox, of Rudham House, East Rudham, Norfolk.

Mr S.T. Lowe and Miss J.V. Leese
The marriage will take place at Auchterarder House, Perthshire, on Saturday, March 23, of Stephen, son of Mrs Doreen Lowe, of Wood Green, Essex, and the late Ronald Lowe, and Julie, daughter of John and Maureen Leese, of Beckenham, Kent.

Mr J.T. Mather and Miss E.C. Byrne-Quinn
The engagement is announced between James, son of Mr and Mrs William D. Mather, of Kingswood, Texas, USA, and Emma, younger daughter of Dr and Mrs Edward Byrne-Quinn, of Tucson, Arizona, USA.

Mr A.R. Philpott and Miss G.L. Mann
The engagement is announced between Adrian Robert, son of Mr and Mrs Lawrence Philpott, of Harrow, Middlesex, and Georgiana Louise, daughter of Mr and Mrs Clive Mann, of Knodishall, Suffolk.

Mr A.C.M. Platt-Higgins and Miss R.C.M. Gwyn-Williams
The engagement is announced between Andrew, eldest son of Mrs D.B. Platt-Higgins, of Fifehead Neville, Dorset, and Mr J.E. Platt-Higgins, of London, E14, and Katie, only daughter of Mr and Mrs G.T. Gwyn-Williams, of Brenchley, Kent.

Mr J.M. Steane, FSA and Miss E.M. Fullard, MBE
The engagement is announced between John, younger son of the late Captain and Mrs F. Steane, of Oxford, and Elaine, elder daughter of Mr and Mrs H. Fullard, of Oxford.

Mr A. Williams and Miss K.P. Woolrych
The engagement is announced between Alun, son of Mr and Mrs G.T. Williams, of Ystradgynlais, South Wales, and Kate, youngest daughter of Mr and Mrs R.S. Woolrych, of West Ashling, Sussex.

Marriages

The Earl of Malmesbury and Mrs R. Baring
The marriage took place quietly on March 14, at St Swithun's, Nately Scures, of the Earl of Malmesbury, widower of Maria, to Peggy, Mrs Baring, widow of Raymond Baring.

Sir Robin MacLellan and Mrs J. MacLellan
The marriage took place quietly on March 12, at Buchlyvie, Stirlingshire, of Sir Robin MacLellan to Mrs Jennifer MacLellan. The Rev Moira MacCormick officiated.

Mr S. Mills and Miss C.A. Dodgson
The marriage took place on March 18, in Nassau, Bahamas, between Sean Mills, of Kinver, Stourbridge, West Midlands, and Charlotte Anne Dodgson, of East Bergholt, Suffolk.

Church news

The Area Bishop of Willesden, the Right Rev Thomas Butler, has been appointed Bishop of Leicester. He will succeed the Right Rev Richard Rutt, who is retiring.

Other appointments
The Rev Christopher Hughes, Assistant Curate, Handsworth (Sheffield): to be Team Vicar, Wombourne team (Lichfield).
The Rev Jenny B Lowater, Assistant Curate, St Peter, Southsea: to be Assistant to the Diocesan Director of Ordinands, with special responsibility for non-stipendiary ministers and women's ministry (Portsmouth).
The Rev Timothy J Marks, Non-stipendiary Minister, Burton and Sopley (Winchester), and Director of Pastoral Studies at Moorlands Bible College, Christchurch, Dorset: to be Rector, Gravesley w Papworth St Agnes w Yelling and Toseland, and Rector, Croxton and Eltisley, held in plurality (Ely).
The Rev Canon Johns Oyet, Akure, Nigeria: to be Assistant Curate, Warblington w Emsworth (Portsmouth).
The Rev Robert L Raikes, Vicar, St Aldhelm, Branksome (Salisbury): to be Vicar, Pitminster w Corfe (Bath and Wells).
The Rev Mary E Richards, Assistant Chaplain at Bristol Polytechnic (Bristol): to be Assistant Curate, East Clevedon and Walton in Gordano w Weston in Gordano w Clapton (Bath and Wells).
The Rev Allan G Scott, Rector, St Mary's, Stoke Newington: to be also a Prebendary in St Paul's Cathedral (Prebendal stall of Chiswick) (London).
The Rev B Peter Simmons, Honorary Curate, St William, Chatham: to be Priest-in-charge, St Lawrence, Seal and St Margaret Underriver (Rochester).
The Rev Denis R Smith, Assistant Curate, Thatcham, St Mary (Oxford): Vicar, Shefford, St Michael (St Albans).
The Rev Ronald F Swan, Vicar, St Mary's, Harrow: to be also a Prebendary in St Paul's Cathedral (Prebendal stall of Caddington Major) (London).
The Rev W Hugh Thomson-Glover, Vicar, Sherston Magna, Easton Grey, Luckington, Alderton and Foxley w Bremilham, and Rural Dean of Malmesbury and Surrogate: to be also an Honorary Canon of Bristol Cathedral (Bristol).

Resignations and retirements
The Rev Canon John H Potter, Rector, Charmouth and Catherston Leweston (Salisbury): to retire as from 30 April.
The Rev Robert Simpson, Rector, Skipsea w Ulrome and Barmston w Fraisthorpe (York): to retire as from 30 April.

Other appointment
Captain Albert Fullard, Church Army, Industrial Chaplain for West Glamorgan (Llandaff): to be Associate Missioner (Decade of Evangelism) (St Albans).

Church of Scotland

Ordination and Induction
The Rev James Dowswell to Lerwick and Bressay.
The Rev Louis Kinsey to St Columba's, Bridge of Don.
The Rev C J Finnie to Caldercruix, Longriggend and Meadowfield.

Translations
The Rev John G Miller from Sandsting and Aithsting to Eskdalemuir linked with Hutton and Corrie.
The Rev Kenneth Russell, associate, Buckhaven to Jamestown.
The Rev William L Armitage from Bonnyrigg to London Road, Edinburgh.
The Rev Robert Nicol from Commercreek linked with Rothwell to St Columba, Jersey.

Retirement
The Rev Hugh B Haney from John Ross Memorial, Glasgow.

Memorial services

Dorothy Lady Harmsworth
A service of thanksgiving for the life of Dorothy Lady Harmsworth was held yesterday at St Bride's, Fleet Street. Canon John Oates officiated and Viscount Rothermere, chairman, Daily Mail and General Trust, read the lesson.

Mr Vyvyan Harmsworth read from *The Prophet* by Kahlil Gibran and Mr Kevin McCulloch, grandson, read Dorothy Harmsworth's *Elegy*. Professor John Blandy gave an address. Among others present were:

The Hon Mrs Margaret Gibson Phillips (daughter), Lord and Lady Harmsworth, the Hon Abigail Harmsworth, the Hon Mrs Eric Harmsworth, Mrs Y Hassam, Mrs Victor Wild and Mr Francis Wild.

Major-General Sir Nigel Tapp
A service of thanksgiving for the life of Major-General Sir Nigel Tapp was held yesterday in the Chapel of the Royal Hospital, Chelsea. The Rev Denys Bartlett officiated, assisted by Canon John Bown.

General Sir Roland Guy, Governor of the Royal Hospital, Chelsea, also representing the Army Benevolent Fund, read the lesson and General Sir Martin Farndale, Master Gunner, St James's Park, read from John Bunyan's *Pilgrim's Progress*. Among others present were:

Dr and Mrs J Lonsdale (stepson-in-law and stepdaughter), Miss P M Lonsdale, Miss S J Lonsdale, Mr J R Lonsdale and Mr H W Lonsdale (stepgrandchildren), Mr J W P Martin, Canon and Mrs R P Lonsdale.

The Marquess and Marchioness of Ely, Lord Dunboyne, Sir Robin Dunn (Field Regiment 1939-45), Sir David and Lady Burnett, Major-General Sir John Younger, Colonel Sir Thomas and Lady Butler, Lady Paget, Lady Anson, General Sir Robert and Lady Ford, General Sir John Gibbon, General Sir Charles and Lady Harington, General Sir Antony and Lady Read, Lieutenant-General Sir Edward Jones, Colonel Sir Henry and Lady Clowes, Sir Douglas Dodds-Parker (Sudan Political Service and Sudan Defence Club), Sir Arthur and Lady Drew, Lady Guy, Lady Bromet, Lady Tansley, Lady Templer, Lady Le Gallais.

Major-General A L Watson (Lieutenant Governor, Royal Hospital, Chelsea) and Mrs Watson with Miss A E Vallely (matron) and other members of staff; Major-General Lionel Harrod (Royal Regiment of Wales), Colonel T W Chaffey (Middlesex Regiment), Captain Richard Stephens, RN (Royal Patriotic Fund and the Officers' Association), Major-General M Janes (Lady Grover's Hospital Fund for Officers' Families), Major Anthony Magrath (Association of Service Newspapers), Major J D Bransby (editor, *Gunner*), Mr Richard Walliker (Royal Wimbledon Golf Club), Mr John Taylor (Old Cheltonians).

Rear-Admiral T S Homan, Rear-Admiral David Hepworth, Major-General and Mrs R J G Morrison, Major-General and Mrs Peter Downward, Major-General P J Glover, Major-General Tony Richardson, Major-General Philip Tower, Major-General Michael Steele, Major-General Desmond Mangham, Major-General I R Graeme, Brigadier M W Clark, Brigadier G P Robertson, Major R A G Courage, His Honour Roger Willis, Mr George Doughty, Mrs Mark Guinness Aschan, Dr David Thomas, Mr D R J Stephen, Mr J E Carruthers and Miss Leonie McMahon.

Luncheons

Law Society
Mr Anthony Holland, President of the Law Society, was host at a luncheon held yesterday at 60 Carey Street. Among those present were:

Mr David Tapon, Professor David Cruickshank, Miss Nora Doonan, Professor Brenda Hoggett, QC, Mr Philip Jones, Mr Geoffrey Green and Miss Lucie Lambrecht.

University College London
Sir Robin Ibbs, Chairman of University College London Council, presided at a council luncheon held yesterday at the college. Among those present were:

Sir James Hamilton, Lady Aird, Sir Alan Greengross, Sir Anthony Laughton, Professor Sir Robert Wilson, Dr D H Roberts (provost), Professor R J Audley, Professor T J Biscoe and Mr D V Bowles (vice-provosts), Professor A P M Mathias and Professor John E C T White (pro-provosts) and Major-General I H Baker (college secretary).

Maple Leaf Luncheon Club
The Canadian High Commissioner was the guest speaker at a luncheon of the Maple Leaf Luncheon Club held yesterday at the Inn on the Park Hotel. Mrs Judith M. Steiner, chairman, presided. Mr Donald M. Smith, Agent General of Nova Scotia, also spoke.

Service dinner

Liverpool University Air Squadron
Air Chief Marshal Sir Brendan Jackson, Air Member for Supply and Organisation, Ministry of Defence, was the guest of honour at the 50th annual dinner of the Liverpool University Air Squadron held last night in the Officers' Mess, Altcar. Squadron Leader G.F. Clifford presided. The principal guests included:

The Lord Lieutenant of Merseyside, Viscount Leverhulme (Chancellor of Liverpool University), the Lord Mayor of Liverpool, Air Marshal Sir Michael Graydon (Air Officer Commanding-in-Chief RAF Support Command), Air Vice-Marshal R M Austin (Air Officer Commanding and Commandant, RAF College Cranwell) and Professor J Gooch (Professor of History, Lancaster University).

Lecture

Institution of Civil Engineers
Professor Duncan Dowson, head of the department of mechanical engineers at Leeds University, delivered the Institution of Civil Engineers' James Forrest lecture yesterday at 1 Birdcage Walk, SW1.

I, your Lord and Teacher, have just washed your feet. You, then, should wash one another's feet.
St. John 13 : 14 G.N.B.

BIRTHS

BRAXTON - On March 18th 1991, at the Royal Sussex County Hospital, Brighton, to Joanna (née Wilmoth) and James, a son, Charles Maitland Mosey, a brother for Amelia.

CAMPBELL - On St Patrick's Day, to Marina and Jamie, a son.

CAMPBELL - On March 16th, to Anne (née Townsend) and Lorne, a son, Callum Philip.

CARTER - On March 10th, at Royal Berkshire Hospital, to Susan (née Bryan) and Simon, a son, Rex Morton.

DALLY - On March 18th, to Jennifer and David, a daughter, Megan Elizabeth.

DOCX - On March 10th, to Paul and Sarah (née Cronk), a son Hugo Francis Windley, a brother for Antonia.

DUCKWORTH - On March 15th to Angela (née McBride) and Paul, a son, Adam.

FERGUSON - On March 14th, at Queen Charlotte's Hospital, to Peggy and John, a son, James Lysander, a brother for John.

GRIFFITHS - On March 13th, to Angela (née Crawford) and Robert, a son, Charles William Alexander, a brother for Anne-Victoria Sophie and Helena Elizabeth Rose.

HARDY - On March 17th, to Sally (née Hitchcock) and David, a son, Christopher, a brother to Zoe and Thomas.

HURLEY - On March 15th, at the Humana Hospital Wellington, to Mark and Deborah, a son, James Declan.

KNIGHT - On March 11th 1991, to Carolyn and Mick, a daughter, Rebecca Louise.

MORLEY - On Monday March 18th 1991, at Sunderland District General Hospital, to Linda (née McCandless) and Richard, a son, Mark Samuel, a brother for John.

MURRAY COX - On March 13th, to Patricia (née Mason) and Barry, a daughter, Sophie Elizabeth, a sister for Toby.

PASSEY - On March 16th, safely at home, to Miranda (née Jackson) and Andrew, a son, Guy Edward David, 9lbs 4oz.

RUSSELL - On March 18th, to Imogen (née Brown) and Neil a son, George, a brother for James, a grandson for Alan, Kyra, Arthur and Maureen.

SHELLEY - On March 16th, at University College Hospital, to Cindy (née Barnes) and Philip, a son, Jake Graham, a brother for Hannah.

VAN DER LANDE - On February 16th, to Isabel and Mark, a son, Edward.

DIAMOND ANNIVERSARIES

HEBDITCH:RHODEN - On March 20th 1931, at St George's Church, Penang (S.S.), Malaysia, Edward to Margaret (Peggy), now at Masbury, Shropshire.

GOLDEN ANNIVERSARIES

MORLEY:BOOTH - On March 20th at All Souls Hampstead John to Patricia. Now living at Langstone, Havant.

DEATHS

AARVOLD - On Sunday March 17th, Carl Aarvold, aged 83, most beloved husband for 56 years of Noeline; much loved father of Christopher, James and John; adored father-in-law of Sandi, Jilly and Libby and hugely missed grandfather of Alexander, Robbie, Pippin, Toby, Angus, Tom, Dominic, Camilla and Douglas. Thanksgiving Service (after a family cremation) at 2.45 pm Monday March 25th, St Michael's Church, Mickleham, near Dorking, Surrey. Flowers from family only but support for St Michael's Church Mickleham Restoration Fund would be appreciated.

BLONCOURT - On March 18th, Louis. Cremation Mortlake, 12 noon Monday March 25th, then at home. Flowers: W.S. Bond, 127 High Road, London W4 2ED.

BUTLER - On March 15th, suddenly in Devon, Geoffrey, of Shifnal, Shropshire, in his 81st year. Devoted husband of the late Jean, loving father of Juliet and Graham and much loved by his grandchildren Deborah, Richard, Andrew and Helen. Private cremation. Thanksgiving Service at St Andrew's Parish Church, Shifnal, on Wednesday March 27th at 11.30 am. No flowers by request, donations to The British Heart Foundation on plate in Church or to John Williams Funeral Director, Aston Road, Shifnal, Shropshire. tel: (0952) 460669.

BELL - On March 17th 1991, suddenly while walking in the hills, Betty Sybil (Helensburgh), widow of her sorely missed husband Jack Bell and much loved mum of Sue and Jenny.

BONNEY - On March 9th, at Warrington, William Alan, former Headmaster of Wade Deacon High School, Widnes, aged 80 years, beloved husband of Ethel and father of Margaret and John. Private family funeral already held.

CALVERT - On March 16th 1991, Dr. Edward Spence, peacefully in Frimley Park Hospital, Camberley, in Surrey, beloved husband of Margaret. Funeral Service on Monday March 25th at The Park Crematorium, Aldershot, Hants, at 12 noon. Family flowers only please, but donations if desired to The R.A.F Benevolent Fund. All enquiries to Ford Mears and Partners, (0276) 25563.

CLIFTON - On March 12th 1991, Elizabeth Anne 'Buffy', instantly in an avalanche skiing in the Rocky Mountains with her cousin Ben Dowson. Beloved wife of John for 26 years, devoted mother of Annabel, Belinda and Charles and youngest daughter of Col. and Mrs A. Murray. Service at Upham Parish Church on Wednesday March 27th at 3 pm. Donations, if desired, to Cancer Research (Winchester Branch) c/o Jno Steel & Son, Cheail House, Winchester (Tel: 0962-844044).

DALE - On March 17th 1991, suddenly without pain, Frank, aged 64 years, of Sway (formerly of Shepperton), much loved husband of Anne and father of Aeone, Sally, Richard and John and a loving grandfather. Service at St Luke's Church, Sway, on Friday March 22nd at 2 pm, followed by interment. Family flowers only please but donations if wished to British Diabetic Association may be sent to Diamond and Son Funeral Directors, 9-11 Lower Buckland Road, Lymington, SO41 9DN.

DEWHURST - On Monday March 18th 1991, at home, Richard Norman, husband of Jeanne and father of Christine and Sylvia. Funeral Service will take place at Chelmsford Crematorium on Monday March 25th at 3.30 pm. Family flowers only. Donations if desired to the Chelmsford Talking Newspaper c/o T. Pennack & Sons Funeral Directors, 3 Maldon Road, Great Baddow, Chelmsford, Essex CM2 7DW.

DITCHFIELD - On March 13th, peacefully while on holiday in Portugal, Michael, aged 59. Dearly loved husband of Joyce and father of Jane, Kate and Emma. Flowers and enquiries to H.C. Grimstead, Chalfont St Peter, (0753) 882644.

DOWSON - On March 12th 1991, instantly in an avalanche whilst skiing in the Rocky Mountains, Canada, Ben, aged 49 years, of Sulney Fields, Upper Broughton, Leicestershire, the dearly loved husband of Hilary and father of Mark, Alice and Robert and son of Ben and Elizabeth. Funeral Service at St Luke's Church, Upper Broughton, on Monday March 25th at 2.30 pm. Family flowers only please, but if desired, donations in his memory for St Luke's Church may be sent to G.E. Rose (Funeral Directors), Roseleigh House, Beacon Hill Road, Newark, Notts.

FABLING - On March 18th, peacefully in St Leonard's Hospice, York, after a brave fight against illness, Fiona (née Campbell-Gray), of Ampleforth, widow of Major Desmond Fabling and deeply loved mother of Victoria and Fenella. Funeral Service to be held on Saturday March 23rd at 11 am, at St Hilda's Church, Ampleforth, followed by interment at St Gregory's Minster, Kirkdale. Floral tributes may be sent to The York Co-operative Chapel of Rest, Cromwell Road, York YO1 1DU, tel: (0904) 643936.

GARRETT - On St Patrick's Day, suddenly but peacefully in a London hospital, Patricia (Shirley), wife of Patrick, much loved sister, aunt, godmother and friend. Funeral Service at West Chapel, Putney Vale Crematorium, on Friday March 22nd at 4.45 pm. Flowers and enquiries to Kenyons, 74 Rochester Row, London SW1, tel: 071-834 4624. Details of Memorial Service in Hampshire to be announced later.

GEVELIN - On March 14th 1991, in Singapore, Andrew James, aged 25. Much loved son of Mike and Laurie, brother of Susan. You have always given us such pride and happiness.

HARWOOD - On March 13th, very peacefully, aged 90, Phyllis Harwood, dear mother of Jane Reid, much loved grandmother and great-grandmother.

INGE - On March 18th, William Walter, at Rugby. Husband of Barbara, stepfather of Geoff, father of Bill and Charles and grandfather of Emily, Sarah and Victoria. Funeral at St Mark's Church, Bilton, on Friday March 22nd at 2.15 pm. No flowers by request.

INNES - On March 17th, tragically in an accident at home in Scotland, Andrew Berowald, aged 27, much loved only son of Colin and Giovannis and brother of Katherine and Emily Jane. Private funeral. A Service of Thanksgiving will be held on Thursday March 28th at Saltoun Kirk, East Saltoun at 3 pm, to which all friends are invited.

LEACH - On March 18th 1991, peacefully with her family after a long illness bravely borne, Marjorie (Peggy) Leach, wife of Desmond, mother of Sarah, Dinah and Neil and Nanna of Rebecca, Louise and Anthony. Much loved by all. Requiem Mass at the English Martyrs Church, Goring-by-Sea, on Wednesday March 27th at 10.30 am, followed by service at Worthing Crematorium. Family flowers only, please, but donations if desired to St Barnabas' Hospice, Columbia Drive, Worthing, West Sussex.

McINTOSH - On March 2nd, suddenly in Inverness, Artereta, beloved wife of the late Colonel Sandy McIntosh and much loved mother of Fiona, Colin and Jane. The funeral took place at Kilbearnan Church, Ross-shire.

MILLER - On March 15th 1991, James John, MBE, O St J, at Northwood, Middlesex. Born London (Custom House), October 17th 1903. Career: Marine Apprentice and Engineer 1918-1924. Metropolitan Police of London (40 years): Police Constable and all ranks, to Chief Superintendent (including secondment to Kenya) and Commandant of Training Schools. Retired August 1963. Securicor PLC Clerk and 'rapid promotion' to an International Managing Director, retired 1973. West Sussex County Council - County Councillor, retired 1983. Funeral Service Wednesday March 27th at Holy Trinity Church, Northwood at 1.15 pm, followed by cremation at Ruislip, Middlesex. Enquiries to J.R. Barton & Son, (0895) 676144.

MILLER - On March 18th 1991, at home, Leslie A. Miller. Much loved husband of Irene and father of Julie. Cremation at Randalls Park Crematorium, Leatherhead, on Monday March 25th 1991 at 1.30 pm. Family flowers only, donations if desired to British Heart Foundation.

MILLER - On March 19th 1991, Arnold Vincent, peacefully at Cirencester, aged 92 years. Beloved husband of Frances and father of Ann and Mary. Funeral Service at Swindon Crematorium on Monday March 25th at 10.30 am. Enquiries to Packer & Stade (Funeral Directors), tel: 0285-653525.

NEWHOUSE - On March 14th 1991, in hospital at Winchester, John, aged 74, dearly beloved husband of Ella and father of Anthony and James. Funeral at St Mary and All Saints, Droxford, today March 20th at noon.

OLIVER - On March 17th 1991, in hospital, Gerald Langford, aged 69. Beloved husband of Virginia and loving stepfather of Paul Meier. Funeral Service will take place at St Mary the Virgin Church, Rolvenden, on Friday March 22nd 1991 at 11 am, followed by private cremation. Family flowers only. Donations if desired to the Rolvenden Branch of the British Legion c/o K.B. Stiles Ltd., tel: (0580) 712284.

RICHARDSON - On March 16th 1991, suddenly, Edward Gregory (Ted) M.B.E., C.Eng., M.I.E.E., of Bath. Devoted husband of Catherine. Served with distinction in the Fleet Air Arm, throughout the world war, particularly in the Battle of the Atlantic and the Normandy Invasion. Subsequently with the Admiralty in Britain. Funeral Haycombe Crematorium, Bath, on Friday March 22nd at 2.40 pm. Family flowers only, donations to the Fleet Air Arm Benevolent Trust c/o E. Hooper & Son, 13 St James Parade, Bath, Avon, BA1 1UL.

SIMPSON - On March 15th, peacefully in a nursing home, Helen Mary Simpson O.B.E., aged 95, of 4 Burgh Heath Road, Epsom, Surrey, dearly loved by all her family and friends. Funeral Service at St Barnabas Church, Temple Road, Epsom, on Wednesday March 27th at 12 noon. Family flowers only, but if desired donations may be sent to the National Children's Home, 85 Highbury Road, London N5 1UD.

SAYERS - On March 16th, suddenly, Eric Colin, aged 74. Husband of the late Babs, much loved father of Margaret and Jan, father-in-law of John and dear grandfather of Amanda and James. Funeral Service at St Alphege Church, Solihull, West Midlands, Wednesday March 27th 1991 at 2.15 pm, followed by cremation. Family flowers only, donations if desired to Imperial Cancer Research Fund, Lincoln's Inn Fields, London WC2A 3PX.

SKINNER-CURTIS - On March 15th 1991, "Skinner", beloved husband of Dulcie and dearly loved father of Jennifer. Enquiries to Seaford & Newhaven Funeral Service, tel: (0323) 893889.

STRANGE - On March 19th, Dorothy, beloved wife of Rognvald, dearly loved and loving mother of Daphne and Margaret and grandmother of James, Clare and Adam. Funeral Service at St Nicholas Cathedral. Family flowers only please but donations, if desired, to Cancer Research.

TARLING - On March 17th, peacefully at Edenhall Nursing Home, Hampstead, Charles, Architect, aged 81 years, very much loved husband of Fee and father of Tina. Family funeral. Memorial Service at St John's, Church Row, Hampstead, Thursday May 16th at 12 noon. Donations if desired to Edenhall Marie Curie Fund.

VAN ROIJEN - On March 16th, at Stoephout flat 18, 2243 CW Wassenaar, The Netherlands, Jan Herman van Roijen. Former Ambassador of The Netherlands to the Court of St James's from 1964-1970. Secretary of State for Foreign Affairs from March-July 1946. Ambassador of The Netherlands to Canada from 1947-1950. Ambassador of The Netherlands to the United States of America from 1950-1954. Funeral Service will take place at the Dorpskerk, Plein, Wassenaar, The Netherlands, on Thursday March 21st 1991.

WINFIELD - On March 9th, Alan, G.E.C. Toronto, formerly Widnes. Loved brother and father.

IN MEMORIAM — PRIVATE

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DATED: 13th March 1991
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KINGSLEY BRIDGETON DOLPHY
(otherwise known as KINGSLEY BRIDGETOWN DOLPHY) deceased
Pursuant to the Trustee Act 1925

NOTICE is hereby given pursuant to S.27 of the Trustee Act 1925 that any person having a claim against or an interest in the estate of KINGSLEY BRIDGETON DOLPHY deceased late of 11a Rockbourne Road, Forest Hill, London who died on the 18th May 1990 are hereby requested to send particulars in writing of his or her claim or interest to Messrs Rowberry Morris whose address is 30 Elgin Gate Hereford HR4 0AB Ref: AH and to send such particulars not later than 26th April 1991 after which date the Executors will distribute the estate among the persons entitled thereto having regard only to the claims and interest of which they have had notice and will not as respects the property so distributed be liable to pay any persons of whose claim they shall not then have had notice.
Dated this 25th day of February 1991
Rowberry Morris
30 Elgin Gate
HEREFORD HR4 0AB
Solicitors for the Executors

TOWNSEND otherwise FIELDSMORE otherwise BEAUHOUSE GLAYDS EVA TOWNSEND otherwise ALECSANDRIA REGINA EVA FIELDSMORE otherwise ALECSANDRIA REGINA EVA BEAUHOUSE otherwise GLORIA SYLVIA BEAUHOUSE SPINSTER LATE OF FLAT 6 CHATHAM PLACE, CURRY RIVEL, NEAR LANGPORT, SOMERSET DIED AT TAUNTON, SOMERSET ON 24TH OCTOBER 1988 (ESTATE ABOUT £8,800.00)
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LEGAL NOTICES

EMPHASIS WHOLESALE LIMITED
I, James Taylor FIPA of Poppleton & Appleby, 4 Charterhouse Square, London EC1M 6EN was appointed Liquidator of the above-named Company on 20th February 1991 by the Members and Creditors.
Dated 14 March 1991
J Taylor FIPA
Liquidator

LEGAL NOTICES

IN THE MATTER of FLEURS FOOD AND CATERING COMPANY LTD. Trading As CLAUDIOS RESTAURANT
AND
IN THE MATTER OF THE INSOLVENCY RULES 1986

In accordance with Rule 4.106 of The Insolvency Rules 1986 notice is hereby given that I, Keith David Goodman, FCA, a Licensed Insolvency Practitioner of Messrs Leonard Curtis & Co., 30 Eastbourne Terrace, London, W2 6LF, was appointed Liquidator of the above Company by the members and creditors on 12th March 1991.
DATED THIS 12TH DAY OF MARCH, 1991
Keith David Goodman, FCA, Liquidator
Leonard Curtis & Co.
Chartered Accountants
P.O. Box 553
30 Eastbourne Terrace
London W2 6LF

IN THE MATTER of GOLDCOMBAT LTD Trading As DISCOUNT OFFICE MACHINES
AND
IN THE MATTER OF THE INSOLVENCY RULES 1986

In accordance with Rule 4.106 of The Insolvency Rules 1986 notice is hereby given that I, Philip Monjack, FCA, a Licensed Insolvency Practitioner of Messrs Leonard Curtis & Co., 30 Eastbourne Terrace, London, W2 6LF, was appointed Liquidator of the above Company by the members and creditors on 13th March 1991.
DATED THIS 13TH DAY OF MARCH, 1991
Philip Monjack, FCA,
Liquidator
Leonard Curtis & Co.
Chartered Accountants
P.O. Box 553
30 Eastbourne Terrace
London W2 6LF

RAYNOR CONTRACTING COMPANY LIMITED (IN RECEIVERSHIP)
NOTICE IS HEREBY GIVEN pursuant to Section 48 Insolvency Act 1986 that a general meeting of creditors of the above company will be held at STAKIS VICTORIA HOTEL, MILTON STREET, NOTTINGHAM on 3rd APRIL 1991 at 10 am for the purpose of having a report laid before the meeting and of hearing any explanation which may be given by the Joint Administrative Receivers.

Creditors whose claims are wholly secured are not entitled to attend or be represented.

Please note that a creditor is entitled to vote only:
1 If he has sent to the Joint Administrative Receivers, not later than 12.00 hours on 2nd APRIL 1991, details in writing of the debts he claims to be due to him from the company.
2 If the claim has been duly admitted under the provisions of the Insolvency Rules 1986.
3 If there has been lodged with the Joint Administrative Receiver a proxy which the creditor intends to be used on his behalf.
Dated the 14th day of March 1991
R J REES
Joint Administrative Receiver

RE: Alan Simons Contracts Limited
and
The Insolvency Act 1986
NOTICE IS HEREBY GIVEN, pursuant to Section 98 of the Insolvency Act, 1986 that a Meeting of the Creditors of the above named Company will be held at Woodford Moat House, 50 Oak Hill, Woodford Green, Essex, IG8 9NY on Tuesday the 26th March 1991, at 10.00 o'clock in the forenoon, for the purposes mentioned in Sections 99, 100 and 101 of the said Act.

A list of the names and addresses of the Company's Creditors will be available for inspection free of charge at the offices of Segal Davis Rose, Treviot House, 186-192 High Road, Ilford, Essex, IG1 1JQ between 10.00 am. and 4.00 p.m. as from Friday 22nd March 1991
Dated this 7th day of March 1991
A Simons
Director

RE: Buyplanet Ltd
and
The Insolvency Act 1986
NOTICE IS HEREBY GIVEN, pursuant to Section 98 of the Insolvency Act, 1986 that a Meeting of the Creditors of the above ...

PANDICK (UK) LIMITED
Lime House, 4-6 Pearltree Street, London, EC1V 3BB
THE INSOLVENCY ACT 1986
NOTICE IS HEREBY GIVEN pursuant to Section 98 of the Insolvency Act 1986 that a Meeting of the Creditors of the above-named Company will be held at Westminster Chamber of Commerce, 177 Regent Street, London, W1R 8DJ on Thursday 28 March 1991 at 2 pm, for the purposes mentioned in Sections 99 to 101 of the said Act.

A list of the names and addresses of the Company's creditors will be available for inspection free of charge at Buchler Phillips & Co. 84 Grosvenor Street, London W1X 9DF, between 10.00 am and 4.00 pm Tuesday 26 March 1991 and Wednesday 27 March 1991.

Creditors wishing to vote at the Meeting must lodge a full statement of account and an informal proof of debt and unless attending in person a proxy in the form attached at Buchler Phillips & Co., 84 Grosvenor Street, London W1X 9DF no later than 12 noon on Wednesday 27 March 1991. Secured creditors must, unless they surrender their security, give particulars of their security and its assessed value if they wish to vote at the Meeting.
By Order of the Board
A S HOLLANDS
Director
11 March 1991

Notice of Appointment of Administrative Receiver
BABET CORPORATION LIMITED
Registered No.: 2178713. Former Company Name: Rafal 190 Limited. Nature of Business: Insurance Brokers. Trade Classification: 53. Date of Appointment of Administrative Receivers 14th March 1991. Name of Person Appointing the Administrative Receivers: Clydesdale Bank Plc. Joint Administrative Receivers, Gareth Howard Hughes and Nigel James Hamilton (Office Holder Nos. 2090 and 6829), Ernst & Young, Becket House, 1 Lambeth Palace Road, London SE1 7EU

Notice of Appointment of Trustee
Insolvency Rules 1986
Rule 6.124(1)
In the High Court of Justice Number 6196 of 1990
In the Matter of William Joseph Keena (In Bankruptcy)
Notice is hereby given that on the 4th day of March, 1991, Mr. Salman Saud, B.A., of 2, Oakwood View, Southgate, London, N14 6QJ, was appointed Trustee of the above-named Estate.
Dated this 14th day of March, 1991
Mr Salman Saud, B.A., F.I.P.A.
Trustee

RE: Trinity Windows Ltd
and
The Insolvency Act 1986
NOTICE IS HEREBY GIVEN, pursuant to Section 98 of the Insolvency Act, 1986 that a Meeting of the Creditors of the above named Company will be held at Woodford Moat House, 50 Oak Hill, Woodford Green, Essex, IG8 9NY on Monday the 25th March 1991 at 10.00 o'clock in the forenoon for the purposes mentioned in Sections 99, 100 and 101 of the said Act.

A list of the names and addresses of the Company's Creditors will be available for inspection free of charge at the offices of Segal Davis Rose, Treviot House, 186-192 High Road, Ilford, Essex, IG1 1JQ between 10.00 am and 4.00 p.m. as from Thursday 21st March 1991
Dated this 6th day of March 1991
J DeCrum
Director

THE J.J. GROUP LIMITED
Registered number: 1191688
Nature of business: Motor Engineers & Suppliers of vehicle silencers & accessories. Trade classification: 46. Date of appointment of administrative receivers 13.3.91. Name of person appointing the administrative receivers: Midland Bank Plc. Philip Monjack, FCA & Keith David Goodman, FCA Joint Administrative Receivers (office holder nos: 2344 & 2407) of Leonard Curtis & Co., P.O. Box 553, 30 Eastbourne Terrace, London, W2 6LF.

GOLF CARTS LIMITED (IN RECEIVERSHIP)
NOTICE IS HEREBY GIVEN pursuant to Section 48(2) of the Insolvency Act 1986, that a Meeting of the Unsecured Creditors of the above named company will be held at the offices of Baker Tilly, 2 Bloomsbury Street, London WC1B 3ST on the 9th day of April 1991 at 10.30 am, for the purpose of having laid before it a copy of the report prepared by the Administrative Receivers under Section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on by or under the Act.

Creditors are only entitled to vote if:
a they have delivered to us at the address shown above, no later than 12.00 hours on the business day before the meeting, written details of the debts they claim to be due, and the claim has been duly admitted under the provisions of the Insolvency Rules 1986 and
b there has been lodged with us any proxy which the creditor intends to use on his behalf.
Dated this 12th day of March 1991
P.J.R Souster and P J Dickerson
Joint Administrative Receivers

IN THE MATTER OF MUDO FASHIONS (UK) LTD. Trading As CUCUMBER BELT COMPANY
AND
IN THE MATTER OF THE INSOLVENCY ACT 1986
NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 24th day of April 1991, to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their Solicitors (if any), to the undersigned KEITH DAVID GOODMAN, FCA Leonard Curtis & Co., 30 Eastbourne Terrace, London W2 6LF the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are personally or by their Solicitors to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
Dated this 13th day of March 1991
K.D GOODMAN
Liquidator

IN THE MATTER OF MUDO (UK) LIMITED
AND
IN THE MATTER OF THE INSOLVENCY ACT 1986
NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 24th day of April 1991, to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their Solicitors (if any), to the undersigned KEITH DAVID GOODMAN, FCA Leonard Curtis & Co., 30 Eastbourne Terrace, London, W2 6LF the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are personally or by their Solicitors to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
Dated this 13th day of March 1991
K. D. GOODMAN
Liquidator

RE: Kestrel Displays Ltd
and
The Insolvency Act 1986
NOTICE IS HEREBY GIVEN, pursuant to Section 98 of the Insolvency Act, 1986 that a Meeting of the Creditors of the above named Company will be held at Woodford Moat House, 50 Oak Hill, Woodford Green, Essex, IG8 9NY on Wednesday the 27th March 1991, at 10.00 o'clock in the forenoon, for the purposes mentioned in Sections 99, 100 and 101 of the said Act.

A list of the names and addresses of the Company's Creditors will be available for inspection free of charge at the offices of Segal Davis Rose, Treviot House, 186-192 High Road, Ilford, Essex ...

... Morgan, were appointed Joint Liquidators of the above named company (Creditors' Voluntary Winding Up).

Creditors of the company who have not already done so should submit their claims in writing to us at the following address under reference JPR/NDN/AJT/17978-
Touche Ross & Co.,
55/57 High Holborn,
London WC1V 6DX

... ant to rule 4.106 of the Insolvency Act 1986 that on 28 February 1991 I, John A. Talbot was appointed the Liquidator of the above-named company.

Creditors of the company who have not already done so should submit their claims in writing to us at the following address:
Arthur Andersen & Co., P.O Box 55, 1 Surrey Street, London WC2P 2NY
John A. Talbot

... istrative Receivers of the whole of the property of the above Company on Monday, 11th March, 1991 by National Westminster Bank Plc under the powers contained in a Debenture providing Fixed & Floating Charge dated 19th July, 1988.
Dated the 11th day of March 1991
K.P. BARRY, FCA
K. D. GOODMAN, FCA
Joint Administrative Receivers

FINDING A NANNY IS NOW CHILD'S PLAY.

Choose that special person through The Times. Every Thursday Premiere Nannies will be seen by 474,000 women readers, some of whom will be looking for a first or second placement. All you have to do is fill in the coupon – it's childs play!

Source: NRS Jan-Dec 1990

THE TIMES

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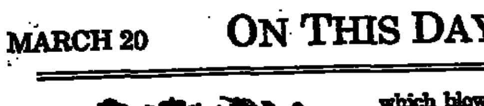
MARCH 20 ON THIS DAY 1931



In the 1920s and 1930s Henry Ford began to spread his wings building factories outside the United States. The construction of the works at Dagenham was no mean feat of engineering as the land chosen was on the edge of the Thames and waterlogged.

NEW FORD WORKS AT DAGENHAM

The new Ford factory at Dagenham has been under construction for about 18 months and is now sufficiently well advanced to give a clear idea of the great building as it will be when completed. One writes the word "building" in the singular because the greater part of the works are under one roof, and such a roof as few people in this country can have seen. To-day some 1,400 motor dealers from all parts of the kingdom have visited the works as the Ford Motor Company's guests. The marquee in which they took luncheon — about 1,000 of them at once — filled only a minute corner of the factory.

When the works are ready they will be capable of turning out two Ford vehicles every minute — an output equal, it is claimed to that of all other English motor works combined — and employing more than 15,000 persons. The work now in progress on the factory and plant is commensurately vast in scale. The three main shops in the principal part of the building cover more than 20 acres; each of them is as extensive as the Horse Guards' Parade. The reinforced concrete floor is being covered with 8,000,000 wood blocks.

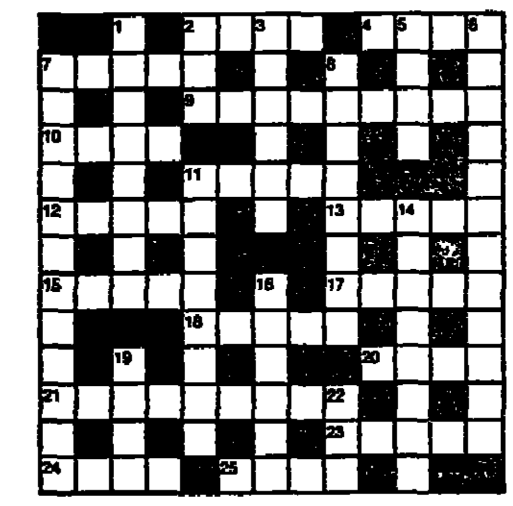
If the building is not beautiful it has at least the quality of perfect adaptation to its purpose. It will be efficiently ventilated by machinery which blows in warm air in winter and cool air in summer. Press one switch, and eight tons of windows open. Under the glass bays that form the roof are steel "cat-walks" for the window cleaners, and handrails that are also pipes to supply the cleaning-water. Beneath the floor are ducts to carry off waste products at each stage of manufacture. The shavings of wood and steel will pass along these ducts in conveyors; the cutting lubricant will be pumped back to the machine for further use.

Much of the material employed in the construction of the works is buried underground. The land is on the brink of the Thames, and waterlogged, and it has been necessary to support the whole of the buildings and plant on reinforced concrete piles, which are anything from 10ft to 70ft long. Below the main building they stand 10ft apart; in other places they are set much closer. The coal and ore yard, it was said today, has alone cost £68,000 in piling. Here and there the surface of the ground has been lifted 2ft or 3ft by the pressing of these close-set piles.

An important accessory to the works is a jetty at which ships in the Thames will deliver raw materials and load finished vehicles for export. The jetty will be over 1,800ft long, and will accommodate vessels up to 12,000 tons, with an average depth of water of 28ft. The piers are being formed of concrete, inside large steel cylinders 40ft to 60ft long. The cylinders are lowered section by section into the river bed, a diver seals the joints from the inside, and the piles are then forced down into the cylinders.

Foundations are now being laid also for the power-house which will generate enough current to supply a town of considerable size with light, heat, and power. Included in the plant is a great blast furnace, now almost completed, which is the only one in the South of England. Some 11 miles of electric railway will connect different parts of the works with the jetty and the main railway line.

CONCISE CROSSWORD NO 2437



ACROSS
2 Parent's sister (4)
4 Joint interest group (4)
7 Inundate (5)
9 Day before today (9)
10 Reputation (4)
11 Young owl (5)
12 Radio valve gas (5)
13 Lariat (5)
15 Up higher (5)
17 Precipitous (5)
18 Curses (5)
20 Shaving (4)
21 Aspersions (9)
23 Political group (5)
24 Formal robe (4)
25 J'Accuse author (4)

DOWN
1 Royal Marine unit (8)
2 One of several (3)
3 Snuggle (6)
5 Gentlewoman (4)
6 Code-breaking (12)
7 Chinese Communist leader (4,4,4)
8 Unsettled (8)
11 Quick inspection (4-4)
14 Guide (8)
16 Artist's room (6)
19 Be familiar with (4)
22 Mineral spring resort (3)

SOLUTION TO NO 2436

ACROSS: 1 Defect 4 Widow 8 Public opinion 9 Scraper 10 Tyke 11 Nip 13 Gear 14 Also 17 Sop 20 Limb 22 Redoubt 24 Cecil B de Mille 25 Drain 26 Scared

DOWN: 1 Depose 2 Fabergé 3 Clippers 4 Wait 5 Daily 6 Wonder 7 Mourn 12 Pandemic 15 Squalor 16 Placid 18 Pride 19 Attend 21 Mecca 23 Clan

After two children, and two books on child-rearing, **Libby Purves** is sure of one thing: children grow up as they please

Mothers' helpers: child development gurus who have left their mark on current generations include, from left, Paula Yates and daughter Fifi; Dr Hugh Jolly; Dr Miriam Stoppard; Dr Benjamin Spock and Penelope Leach

The child is always father to the manual

The call was from Denmark, in faultless English. Would I comment, please, on systems of toilet-training for a magazine? Or could the relevant paragraphs of my book, in Danish translation, be reprinted? I thankfully took the second option and hung up with a shaking hand. What next? Italian *Vogue* demanding a quote on the tooth fairy? The *Frankfurter Allgemeine Zeitung* straw-polling about smacking?

At least I was safe from transatlantic enquiries: the Americans will not publish my books about children because they are not "positive" enough. The titles *How not to be a Perfect Mother* and *How not to Raise a Perfect Child* do not chime well with the culture which invented "having it all". The first 20 minutes of motherhood having convinced me that there is no chance whatsoever of having it all, my tone is probably closer to "having-mislaid-it-somewhere-owing-to-lack-of-sleep-but-never-mind". This goes down fine in Europe, but will not do for the States.

Anyway, I never meant to become a childcare guru, and the role fills me with some dismay. Especially since the whole process began with a heartfelt conviction that there are far too many childcare gurus already. Eight years ago, as a shell-shocked new mother with a wakeful baby and flat nipples, I was overshadowed by Benjamin Spock, confused by Drs Jolly and Stanway, irritated by Miriam Stoppard and made to feel alternately idealistic and hopeless by the lucid perfectionism of Penelope Leach. It is, perhaps, lucky that the experience of motherhood came early enough for me to avoid being patronised by Paula Yates.

There is good in all the books: it was just that in my uncertainty I took them too seriously. One particular night sticks in my mind, when I searched my entire library in the hope of finding the printed sentence: "Some babies, sometimes, need to cry themselves to sleep. It does no lasting harm." Failing to find it, I picked my son up, and paced, and fed, and paced, and wept.

So why choose to swell the torrent of advice on childrearing which has flowed from Jean-Jacques Rousseau to Mrs Bob Geldof? What inspired me was reading earlier generations' gurus, a pursuit inspired by Christina Hardyment's history of childcare manuals, *Dream Babies* (Cape, 1983). As I surveyed the diversity and barminess of advice down the decades, I realised that anybody could join in.

After all, once you know that Rousseau favoured dipping babies in icy water to harden them up, that Mrs Sydney Frankenburg believed you should never point out things to a toddler because it diverts blood to the brain which should be going to building healthy teeth, and that John B. Watson argued, in the Twenties, that you must never hug or kiss a child (shaking hands in the morning is enough), you are healthily inoculated against gullibility. Alone with your baby and your pile of books, you give up searching for Holy Writ and accept that every childcare book is the product of a particular personality and culture. If the Thirties and Forties saw women advised to leave babies in prams down the garden all day, might it not be partly because that was when houses shrank and housemaids became extinct? If Dr Truby King was obsessive about feeding by the clock, should we not remember how, as superintendent of the Seacliff lunatic asylum in New Zealand, he experimented on the asylum farm with the "scientific rearing" of bucket-fed calves?

Anybody can join in: Libby Purves with her son Nicholas

So, clearly, pinches of salt should equally be applied to the writings of the current authors. Look hard and you can see who has read too much psychology, who is enthused by feminism or reacting against it, who is a Sixties child in search of "natural" behaviour, and who is a tight, over-controlled Seventies person obsessed with career and style. It is a fair bet that future generations will get as many laughs out of "quality time" or early infant education as we do out of Watson and Frankenburg.

So I joined the bossy chorus. Not being a doctor made me feel an impostor at first; but then the trouble with books by doctors is that, because one defers to their knowledge of spots, one is too slow to question their parental qualifications. Yet what does a medical degree teach you about bedtime, television watching, or discipline? There are as many unbalanced doctors as there are laymen. And psychologists. Just ask their children.

I resolved to speak from the front line. Rather than wait ten years and write in a quiet tidy room, I would do it quickly, before my younger child reached three, thus ensuring that the main influences on me would not be theoretical but small and grubby. Not a page of the first book — up to age three — was completed without a child under the desk filling my shoes with Sticklebricks, or a baby snuffling ominously in a basket alongside. Every observation was cross-checked with questionnaires filled in (often, they caustically observed, in the small hours) by other mothers of mixed ages and class; every piece of advice qualified by an account of someone else's system which also seems to work. It was an assault on theory.

I had not yet heard Bruno Bettelheim's phrase about "good-enough" mothering, but that was roughly it: ways to get by without much style but without guilt either, to love without illusions and to arrange family life so that poor mummy got out for the odd game of darts. Then I swore never to write on the subject again.

Five years on I had to, because the goalposts moved. Still knee-deep in the subject, I discovered that the years from three to eight were a totally different subject. The traditional "0 to 5" baby book had always seemed nonsense: a child changes so radically at about three that an eight-year-old has more in common with a four-year-old than the four-year-old does with a baby. Without nappies or broken nights the challenges became intellectual: explaining death and war, helping children to handle friendship, money, strangers, school, pets . . . other mothers, writing in, provided checks and balances (the hazard of being a childcare-guru is galloping opinionatedness). I wrote the chapter about illness and accidents sitting beside a small hospital bed, and the one about toys knee-deep in broken ones.

So there was plenty of input. Re-reading the book after six months, I notice that it appeared to draw advice also from Saki, George Orwell, *The Pilgrim's Progress*, Terry Waite and Vesta Tilley. At least such openness about my cultural influences will assist the next generation in its duty of throwing me aside.

Because it will. I have learnt humility. I now know the problems of the childcare-writer: inability to decide whether to say "he" or "she", terror of accidental ambiguities which might betray a hasty reader into doing something dangerous, and fits of Stygian gloom when the chapter on discipline cannot be put off any longer. I know what it is to hammer out 1,000 words on the importance of listening to your child, while ignoring a monologue about Ninja Turtles from the floor alongside.

In the end, all I can do is offer my contribution to the genre as a grudging sort of tribute to all the rest. What we are all doing, in our different ways, is acknowledging the extraordinary and perennial power that children have to remodel their parents: and hoping that, as they grow older, the path towards enlightenment will wind just a little bit further upwards.

● How Not to be a Perfect Mother *is published by Fontana (£3.99).* How Not to Raise a Perfect Child *will be published by Fontana on March 28 (£4.50).*

& BRIEFLY

Tornados for ties

NO SOONER was the ceasefire declared in the Gulf than that enterprising jeweller, Cobra & Bellamy, produced a commemorative set of silver stick pin (£21) and cufflinks (£42) designed in the shape of an RAF Tornado. Just the thing to buy for returning heroes. The pieces are available from Cobra & Bellamy at *149 Sloane* Street, London SW1 (071-730 2823) or from its concessions in department stores such as Liberty.

Crèche course

ADVOCATING more crèches is one thing. Ensuring that the crèches which are set up are adequate custodians of children's development is another. *The ABC of Crèche Training*, by Carrie Birch and Nina Houghton (from the Daycare Trust, Wesley House, 4 Wild Court, London WC2B 5AU, telephone 071-405 5617, for £4.55 including postage and packing), *is aimed at* organisations and individuals hoping to become involved in the crèche movement. The book also offers useful guidance on staff training and resources for those who are already on the ball.

Oxfam bags

ONE of the cleverest holdalls comes from the new Oxfam Spring Bazaar catalogue. During the working week it is a neat tan leather shoulder bag, measuring 10in by 9in, but for weekends away, or impromptu shopping sprees, it expands into an attractive overnight bag 19in long. The bag, which is made in Colombia, costs £39.95. The catalogue, which contains everything from garden sheds to "organic forest honey", is available from Oxfam, PO Box 182, 274 Banbury Road, Oxford OX2 7DZ.

Shaker sale

THE Shaker Shop is holding its second one-day sale on Saturday April 6. You have been warned early, because last year's one-day sale of furniture and home accessories had people queuing outside from 6.30am — with most of the stock sold in the first few *hours. There will be more* than 50 per cent off some pieces. Classic straight chairs will be available for £99. This year the sale has been moved to the Swedish church hall in Harcourt Street, London W1, opposite the Shaker Shop at number 25. Officially the sale will start at 10am.

VICTORIA MCKEE

Nice work for a lady

Betty Kenward, whose 'Jennifer's Diary' has become an upper-crust institution, is hanging up her evening gloves

Betty Kenward, who has been chronicling the upper classes at play for nearly half a century, is to retire in July. The woman behind "Jennifer's Diary" in *Harpers & Queen* magazine will be 85. "I was told a few weeks after I started — incidentally, I was paid ten shillings and sixpence — that if I didn't make my diary more *nasty, more sensational,* I wouldn't last."

She has survived so long precisely because, ignoring trends towards cover-to-cover bitchiness, her innocent monthly jottings have remained steadfastly "nice" about everyone and everything. Now, in the newly nice Nineties, it is becoming unfashionable to be beastly about Mrs Kenward and her brand of journalism. Nice, as *Hello!* and the relaunched nicer *Tatler* are proving, is commercial.

Lovely to the last: Betty Kenward

The reason her *subjects like and* trust Mrs Kenward is, she says, because she is one of them. "I was born in Cadogan Gardens and never went to school. I had governesses in London and the country and went to a finishing school in Brussels. I hunted as a child, went to Cowes and the races and watched polo."

She intends to bow out after her two favourite events, the De Beers Diamond Day race meeting at Ascot and the Cartier International Polo Day at Cowdray Park. "That is always a big weekend. It will be a nice thing to end on."

But it will not mark the end of her writing career, as she has been asked by some "good publishers" to do a book. "While I can still see, I can still hear and I can still think, I ought to do it," she says.

The *highlight* of almost 50 years of attending glittering occasions was, she says, the Queen's coronation, and she still regrets that she did not realise guests could purchase the chair they sat on. "It was rather nice blue velvet. I bought my red chair from the Prince of Wales's investiture. It cost about £15 or £20 and was designed by Tony Armstrong-Jones. Frightfully uncomfortable."

Comfort, for someone who may have to go to four cocktail parties in one evening or attend three weddings in a day, is naturally a major concern. "I sometimes stand for hours and my feet get very tired and my back aches, but one has to suffer. It is work *and it has to be done.* I wear an overall in the office to keep my party frocks clean and I use quite a bit of costume jewellery, because that always helps. It takes me a long time to do my hair in the morning and I always brush all the lacquer out no matter what time I get home otherwise my hair would not survive. Sometimes I put my face on at 7am and it has to do me right through. I only go home to change if I'm going to a dance or something big like that. I usually read while I am being driven *because I have to* be clued up with what's happening in the world politically and sporting-wise.

"I write my diary in longhand, usually with a soft pencil because I get fibrositis in my arm. I don't carry a notebook around with me but after a party I jot down just roughly all the names on the back of the invitation, so one doesn't get the wrong people at the wrong parties.

"Nice people still have nice manners, but they use first names earlier than they used to. If I know someone very well I will buy something for their house, but otherwise my wedding present is always a subscription to the magazine."

Mrs Kenward moved to her Hill Street, Mayfair home because it is within walking distance of where most things, she says, take place: *Claridge's, the Ritz, the Dorchester.* She occasionally entertains at home — "never cocktail parties, I loathe them" — but Christmas day, for instance, she prefers to spend alone, going to church, watching the Queen's speech and dining on grilled sole.

On the perennially vexing question of whether it is or is not nice to use a fish knife, she is unequivocal. "Of course you must use a fish knife. How else do you get the fish off the bone? But some people give you a steel knife. It upsets me terribly, I can't bear it."

HEATHER KIRBY

THEATRE

The verse that could happen

As the Royal Shakespeare Company returns to the Barbican, Jim Hiley assesses another promised return, to classicism, with new artistic director Adrian Noble

In the schedules of regional theatres, one third of all plays written before the second world war are by Shakespeare. His plays lie at the heart of the classical repertoire, and the skills they demand are the mainspring of this country's acting tradition. Shakespeare's strengths are the strengths of the British theatre — or should be.

Of late, the quality of classical productions has deteriorated alarmingly. Actors have lost the art of speaking verse and the vocal power to sustain themselves through epic dramas in large auditoriums. Directors warp Shakespeare with facile gimmicks, reserving too much of their creative energy — and of their subsidies — for anaemic new plays and extravagant musicals. And as chief guardians of the Shakespeare canon, the Royal Shakespeare Company has been widely blamed for the malaise. This is not unfair: the company's influence has long spread far beyond its own output.

The British classical style was redefined by Peter Hall, the RSC's first director, with Peter Brook, John Barton and others, during the company's formative years in the 1960s. Hall went on to run the National Theatre, half of whose current associate directors are former luminaries of the RSC. Even the company's younger "rivals" are run by past stars of the RSC: Kenneth Branagh's Renaissance group, and the English Shakespeare Company, founded by the Michaels Bogdanov and Pennington. If the RSC atrophies, the classical tradition declines throughout the country.

The company's new artistic director, Adrian Noble, acknowledges that the RSC bears special responsibilities, and accepts much of the recent criticism. When he unveiled details of his first season — opening in London tomorrow and at Stratford on Saturday — he announced what many had hoped for: a renewed commitment to Shakespeare and classical virtues. "We have spread our wings too wide in the past," says Noble. "Now what's called for is a sense of mission. Our aim is the best classical company the nation can afford."

Noble has already revamped the RSC's management structure. He has also dispensed with the long-serving all-male team of associate directors, and signed up several newcomers, conspicuous among them two women, Phyllida Lloyd and Katie Mitchell. His reforms have accompanied the resolution of the RSC's financial crisis — assuming the City of London ratifies a grant of £1.3 million to match "enhancement" funds pledged by the Arts Council. Equally significantly, the Arts Council has formally endorsed the RSC's presence in London, a mere 30 years since it first opened shop in the capital. The re-dedicated classical company is now also, with official blessing and support, a national company.

In these circumstances, Noble has scant excuse for failing to rectify the RSC's standards. But what he promises is a "refocusing" of its activities, not a return to the "voice music" and tourist-pleasing pageantry of the pre-RSC era.

> *'What's called for is a sense of mission. Our aim is the best classical company the nation can afford'*
> — Adrian Noble

In fact, his approach is markedly similar to that of Hall and his successors, Trevor Nunn and Terry Hands. It combines textual rigour with a modern directorial outlook, and it is rooted in the idea that a play is a classic, as opposed to merely old, if it resonates for each new generation.

Verse speaking and vocal prowess may improve, but directors will continue to look for topical relevance in Shakespeare. Neither the RSC nor its counterparts are yet ready to join the heritage industry. For example, the English Shakespeare Company is unlikely to drop the contemporary embellishments which have helped win it a devoted following — and some opprobrium — in the regions and abroad since 1985. (In the ESC's production of *Henry V*, the English army went to France roaring "here we go, here we go, here we go").

"The vitality of Shakespeare's work derives from its accessibility," says Michael Pennington, a one-time RSC Hamlet who will lead the ESC in *Coriolanus* and *The Winter's Tale* at the Aldwych next month. "For the Elizabethan spectator, a character like Malvolio resembled the guy who lived three doors away. He should be equally recognisable to modern audiences. People think the ESC are tearaways and mavericks, but the truth is we're very traditional."

Adrian Noble's productions rarely include hooligan chants, but he echoes Pennington's sentiments. "At the RSC, we will be collectively examining formal language. We'll be asking how you make verse modern while keeping its structure, and how you communicate the very condensed experience that is poetry without it sounding as it did in the 1950s."

Every Thursday morning, in place of rehearsals, Noble's company take classes in verse, voice and movement. Small groups meet during the week to study metre, alliteration and what Noble calls "other nuts and bolts in our tool kit". This summer, a two-week programme of workshops will be held for young directors from regional theatres.

"We have paid too little attention to verse lately," admits Noble. "As a result, certain insights into the speaking of Shakespeare have nearly passed out of circulation. The rot has already begun to set in."

If Noble does not stop it, nobody else will. Michael Pennington explains that his company cannot mount an in-house training scheme comparable to the RSC's because of limited funds and the pressures of touring. The National has specialist voice and movement departments, and its studio organises a "development" programme for actors. But its output is more broadly-based than that of the other national company, with equal emphasis given to "world drama" and contemporary theatre.

"Playing complex texts on a large stage requires specific techniques," says the National's executive director, Genista McIntosh. "I hope the RSC can refine and develop them, and then feed them back into everyone else's work." Once upon a time, these techniques were at the core of teaching in drama schools.

But nowadays, young actors are steeped in the more introspective styles of stage naturalism and screen acting. "Shakespeare uses vocal and imaginative muscles that are hardly needed for the rest of the repertoire," says Pennington. "You only exist in his plays when you speak." By contrast, what happens "between the lines" is the focus of the Stanislavskian method and the crude versions of it that dominate acting in America and, increasingly Britain.

Against this tide, Noble hopes to re-establish Stratford as "a rally point for artists interested in Shakespeare and the classics." Musicals will take a back seat and — initially at least — he will mount fewer new plays. He is reluctant to agree that the RSC has wasted resources on contemporary drama, but he admits that the "right to fail" has been invoked too often.

"It would be philistine to shut the door on new plays. What we need to do is spend more time nurturing them between first draft and dress rehearsal. Plays have been reaching our stages before they were ready."

For the time being, Noble is preoccupied with Shakespeare and "a line of dramatists who passed the baton on from him": Farquhar, Wycherley, Sheridan, Boucicault, Wilde. "Later, it will be important to see where the baton is among contemporary dramatists."

He hopes to build a semi-permanent ensemble, for the purpose of which he is busy "running up flags" in the profession. "Ambitions have changed since I started my career, when most actors sought to excel in the classics. I hope to provide a fresh example to young performers, so that they will all say 'Yes, I want to be like that.' "

If Noble succeeds in revivifying our classical tradition, the benefits will be felt in theatres across the country. It is a fitting task for a born-again national company.

● Love's Labours Lost *has its first performance at the Barbican Theatre and* Two Shakespearean Actors *at the Pit, tomorrow (071-638 8891).* The Virtuoso *opens in Stratford-upon-Avon on Saturday at the Swan Theatre (0789 295623)*

DOUGLAS H. JEFFERY

Jonathan Pryce in the title role of Adrian Noble's RSC production of *Macbeth* in 1986

GALLERY: SHEFFIELD

Canadian specific

John Russell Taylor on a show that reveals some undervalued richness

Little is known in this country of the earlier stages of Canadian art, largely because until now the obvious sources of information, such as the art gallery in Canada House, have presented mostly the ultra-modern or folksy. But now there are a number of chances to catch up. Next month the Barbican mounts a comprehensive show; meanwhile there is a more specialised but still revealing show, Our Home and Native Land, at the Mappin Art Gallery, Sheffield.

Why Sheffield in particular? Because two of Canada's most important early-modern painters, Arthur Lismer and F.H. Varley, both emigrated from there, to be joined later by two lesser figures, Stanley Royle and Elizabeth Nutt.

They had all known each other in student and early professional days in Sheffield, and all began painting in the artistic *lingua franca* of the early 1900s: discreet touches of Impressionism, a stiffening of Bastien-Lepage's toned-down realistic approach to rustic subjects, all applied to the English landscape.

Going from there to Toronto, which Lismer did in 1911, followed by his friend Frederick Varley in 1912, must have been a considerable break, even though Toronto was then still fairly provincial. In the next 15 years, however, both Lismer and Varley caught the modern bug. Their styles were transformed.

Of the two, Lismer moved farthest fastest: by the mid-1920s he was painting boldly simplified, semi-abstracted landscapes in strong Post-Impressionist colours, often with a hint of Symbolism in the way that a solitary tree twists and bends indomitably against a glowing sky. Varley went more cautiously in the same direction. Both evolved a distinctively Canadian style, unlike anything except some Arctic Circle paintings they cannot have known.

Varley and Lismer had become leading lights of the semi-revolutionary Group of Seven, which laid the foundations of modern art in English-speaking Canada, well before Stanley Royle plucked up the courage to join them in 1931. Elizabeth Nutt had gone over in 1919, but to a job in Nova Scotia. Nutt returned to England every summer, to see her mother, and Royle never seems to have become completely part of the Canadian scene. The Canadian work of both remains conservative.

Varley and especially Lismer, on the other hand, are clearly major artists who remain shamefully little known in the land of their birth. It is perhaps a pity that their British birth provides the essential hook for British attention, but the results are a revelation in their own right, as well as filling in a too-little-known chapter in Anglo-Canadian artistic relations..

Our Home and Native Land, Mappin Art Gallery, Weston Park, Sheffield (0742 734781) Tues-Sat 10-5, Sun 2-5, until April 10.

BRIEFING

Mark made

MORE recognition for that musical whiz-kid, Mark Wigglesworth. The 26-year-old British conductor has been appointed music director of Opera Factory; he makes his debut with the company conducting a revival of the company's production of *Cosi fan tutte* at the Queen Elizabeth Hall in August. Wigglesworth's fast rise through the musical profession began two years ago, when he won the Kondrashin conducting competition in Holland. He makes his Prom debut with the BBC Symphony Orchestra this summer.

Last chance . . .

FOR his first play, James Doherty's *The Rising of the Moon* brings estranged members of a family back to their childhood home for a funeral. But the details of Glasgow Irish life are beguilingly assembled and the cast, led by Tom Mannion, gives it tension and poignancy. Until Saturday at the Old Red Lion, Islington (071-837 7816).

CINEMA: INTERVIEW

Music is more than incidental

John Barry, who is nominated for an Academy Award for scoring *Dances with Wolves*, talks to David Toop

Pop musicians may dedicate their albums to God or their accountants, but film composers are more reserved with their praise. With *Dances with Wolves*, nominated for a best score Academy Award, John Barry made an exception and dedicated his music to three doctors who saved his life.

Three years ago, Barry's oesophagus ruptured in the small hours of the morning. The subsequent illness involved five weeks in intensive care and a two year period without work. Doctors initially suspected an attempt at suicide by poisoning. At the time, Barry was writing the music for a Richard Gere film. "If he'd tried to kill himself," Barry's wife told the doctors, "he would have waited until the score was over."

The cause of this trauma was finally traced to a health drink which Barry resists naming, being involved in a law suit against the manufacturers.

Health drinks now off the menu, he claims to be fitter than ever. Visiting London to organise a new production of his 1974 stage musical, *Billy*, he has also been confronted with a Vic Reeves cover version of one of his best known songs, "Born Free".

Perplexed that anybody would want to record a new version of this easy listening classic, and sheltered from *The Vic Reeves Experience* by living in the United States, he felt it was his duty to investigate. "It probably helps if you're three years old and had a slow night," he says. Every time Barry returns to Britain he finds that another aspect of his career has been elevated to cult status: the James Bond film scores, Shirley Bassey's "Goldfinger", the twangy sound of the John Barry Seven or soundtracks such as *The Ipcress File* and *Body Heat* all have fanatical adherents.

Barry is clearly bemused by this interest in his earlier work but accepts it gratefully. "I've done 80 pictures," he says, "so there are many points of reference." Despite a healthy public interest in cinema soundtracks, composers with the arranging skills, melodic gifts and musical breadth of Barry, Elmer Bernstein, Ennio Morricone or the late Nino Rota may be a vanishing breed. They have often been displaced in recent years by electronic composers or rock soundtracks, assembled from unrelated pop tracks.

Barry feels that the latter approach has had its day. "On the last *Rocky* soundtrack album," he says, "there were songs that weren't even in the movie and it said 'inspired by the movie'. The songs were recorded three years ago before the movie was made. I'd like to know how they do that. Back to the future, I guess."

Many of the young executives who now run music departments for large film studios began their careers in the record business and believe in the synergy approach to cross-media packaging. "When I first went out to Los Angeles at the beginning of the Sixties," Barry says, "all those guys who ran the studio departments were composers, like Johnny Green, who was running MGM. They understood music and they would cast a composer as you would cast a star. That aspect is very thin on the ground now."

Barry's first awareness of music's relationship to dramatic action began early. As a small boy in York in the late Thirties he would act out adventures with his toys to the sound of Sibelius and Ravel. His father owned a number of cinemas in Yorkshire and, by the age of 16, Barry was saturated with film knowledge.

He formed his first group, the John Barry Seven, in the late Fifties, backing Adam Faith on hits such as "What Do You Want", and eventually scoring his first film, *Beat Girl*. The score is full of atmosphere and ambitious arranging.

Beat Girl was followed by the Bond scores and work which ranged from cult films such as *Monte Walsh* to big mainstream pictures including *The Lion in Winter* and *Out of Africa*. After his recent illness, the only worthwhile offer of a score came from Kevin Costner's co-producer, Jim Wilson, for *Dances with Wolves*. On Monday, Barry will discover if his recovery music has won him a fifth Oscar. *Dances with Wolves* was a film that most composers would give their right arms to score, he suggests, but Hollywood's obsession with formulas makes such projects a rarity. Now sufficiently established as an elder statesman to step off the production line, Barry remains pragmatic. "It's what we do for a living too," he admits. "Sometimes you run into a dry patch when you're not offered anything extraordinary so you do something unextraordinary. But I think those days are gone. Hopefully."

DES JENSON

John Barry: from *Beat Girl* to *Dances with Wolves*

The fire and grace reappear

DANCE

Swan Lake
Covent Garden

WHEN first given almost 10 years ago, this *Swan Lake* began the series of important productions whereby the former Sadler's Wells Royal Ballet staked its claim to independence and recognition which this season took it triumphantly to its new home in Birmingham. So using it to introduce the company's first London appearances under its new name of Birmingham Royal Ballet was a timely choice.

Peter Wright and Galina Samsova as producers and Philip Prowse as designer laid their foundations solidly and the staging still looks good on the Covent Garden stage. It is a heavy, dark treatment, starting with a funeral (Siegfried's father, to explain why the carefree prince must now settle down and marry) and ending with a corpse — Siegfried's own, carried from the lake by his friend Benno to counterpoint the vision of his spirit united with Odette in a better world.

Given this seriousness of purpose, a little more drama than the first-night cast supplied would have been welcome. Miyako Yoshida has been dancing like a dream all season, and as Odile in Act III she shows that she is adding more expressiveness. But not yet as much as this role needs, except in Act IV where her Odette catches the sadness of Tchaikovsky's music for her first entry.

In Act II, crucially laying out the basis of the relationship that should be the heart of the ballet in her first meeting with Siegfried, she moved as beautifully as anyone could wish, but so coolly that it never became emotionally moving. Mark Silver made a helpful and sympathetic partner but did not provide the spark to wake her.

Unusually for a British company, the supporting cast made a more lively effect in the national dances at the ball and in the lyrical scenes by the lake. The czardas was fiery, the Spanish dance grippingly sinister. Yet the flock of swans looked merely well drilled, and the four cygnets came close to an unintended comic effect.

The company's own orchestra, renamed the Royal Ballet Sinfonia, played with much clarity of individual instrumental detail under Ermanno Florio. Presumably the brisk speeds in the overture were dictated by the need to keep the show under three hours and avoid overtime, but otherwise the pace and rhythms were shrewdly judged.

JOHN PERCIVAL

Coolly beautiful: Miyako Yoshida as Odile in *Swan Lake*

ROCK

Deep Purple
Hammersmith Odeon

BY THE time Deep Purple re-formed in 1984, the group had acquired the sort of mythical status that Led Zeppelin now enjoys. But like an old fighter, the band's stock has steadily diminished since it returned to the ring, and on the evidence of this slipshod performance, it now appears to be limping towards a second retirement.

Like so many prime movers of the heavy rock genre, Deep Purple's fiery musical chemistry depended on the friction generated by warring factions within the group. In Purple's case a trio of plodders — bassist Roger Glover, drummer Ian Paice and keyboard player Jon Lord — acted as buffers between the bombastic polarities of guitar wizard Ritchie Blackmore and shrieking vocalist Ian Gillan. Gillan having recently departed under a cloud, Blackmore has now drafted in one of his old stooges from Rainbow, Joe Lynn Turner, as a replacement.

A capable rock vocalist perhaps, but Turner was a singularly unconvincing front man. Stuffed into a pair of tight leather trousers, he offered a wooden compendium of rock 'n' roller-past-his-prime clichés. Meanwhile Blackmore hefted his Stratocaster around with the sullen air of a man with one eye on the clock and the other looking for trouble.

This was the last night of a lengthy European tour and Blackmore's sulky demeanour was clearly at odds with the rest of the band who were in the mood for some high jinks. The first flashpoint came during "Black Night", when Lord inexplicably deserted his keyboards just as Blackmore was looking for a cue to segue into "Child in Time". The furious guitarist sat on the drum riser head down, refusing for several bars to acknowledge Lord's return, or rescue the song from what had turned into an embarrassingly rudderless vamp.

They hacked through some indifferent material from their recent albums — "The Cut Runs Deep", "Perfect Strangers", "Fire in the Basement" and others — songs which, with their paucity of melodic invention, underlined why the band has been outflanked in recent times by so many of the acts which it helped to inspire.

The show ended with a farcical encore. Blackmore, further enraged by an equipment failure, did not return to the stage at all. The other four staggered through that most celebrated of guitar-riff songs "Smoke on the Water" with no guitarist. After this final cruel snub, they shook their fists victoriously and walked off, leaving a once-proud reputation in tatters.

DAVID SINCLAIR

THEATRE

Angels Still Falling
Bird's Nest, Deptford

JACK Kerouac, desperate to become a writer as great as Whitman or Melville, bummed around the roads of America in the late Forties, wrote *On The Road*, and went on bumming for the six years it took him to find a publisher. The book's success was phenomenal, a catalyst for the Beat Generation and hippie culture, but within days, if this play is to be believed, Kerouac had gone spectacularly to pieces. Dementedly drunk for weeks at a time, his talent had vanished long before his death, dissolved in the drink that wrecks so many American novelists if they cannot square the act of writing with the role of American male.

Originally scheduled for the Half Moon, Richard Deakin's play has found a home in this new pub theatre in Deptford Church Street, where a large upper room provides patrons with that rarity in the fringe: upholstered seats. David Stephenson's set curtains off half the stage along a diagonal, and though the triangle that remains is not painted to resemble a road receding to vanishing point, this image keeps coming to mind, even when the scene is a bar, as it often is, or the attic where Neal Cassady lets Kerouac share his girl.

Cassady, the speed-freak whose tumbling talk inspired Kerouac's writing style, is brought to vivid life in Bill Marsh's feverish performance: jittery, haunted, doomed. Kerouac is also doomed, as are all the men save bearded Allen Ginsberg (Paul Besterman). The women fare better: their role in American Bohemia is to be stood up by the men, but they drink less. Francesca Wilde and Nicola Branson play them with a neat sense of comedy.

Adam Henderson's watchful, pink-faced hero catches the sense of Kerouac gobbling up experience, but does not hold our interest in the long, drunken decline. But nor does the play. Directed by John Turner with an acute eye for hippie manners, and ably judging the poignancy and the pace of the scenes, even the later ones, the play never addresses the faults in Kerouac's personality. Like Cassady, he has a runaway father. Perhaps in looking for America he is looking for daddy. Perhaps he never grows away from his ma, a good Catholic dismayed when he brings home a Jewish girl. Kerouac schmerouac, so long as he loves his mother. Well, maybe, but the threads connecting this to the drink-sodden rambling in Big Sur, California, are not drawn. A good jazz score, though, for guitar and bass, especially "Freezing in Mexico", huskily sung by Peter Jagger.

JEREMY KINGSTON

THEATRE

Measure for Measure
Paris

THE virginal Isabella is a holy slut, the wily Duke Vincentio a white-satinised Prince Charming and the righteous Angelo a Quakerish figure keen on his oats, in Peter Zadek's production at the Odéon Théâtre de l'Europe. This is a trio of characterisations that, for all its novelty value, fails to gel into a dramatic triad worthy of Shakespeare's intricate tale of ambiguous morals and ideologies.

In Zadek's first French production, his Germanic dramatic syntax clearly does not make it over the language barrier. Chiselled out of the granite of his native theatrical tradition, his visceral, vaudeville vision of the play might well have worked. But instead it fragments into a series of disjointed tableaux that lack the cohesive, panache of Zadek's recent *Merchant of Venice*.

His latest brush with Shakespeare is decidedly tatty on the eye. Johannes Grützke's painted backdrops of daubed mountain landscapes, while heavy with foul and fine weather symbolism, are shabbily executed, and his tawdry, multi-epoch costumes evoke a class of method actors expressing themselves through the contents of an eclectic prop basket. There is no curtain to go up and the house lights never come down. Theatrical illusion is thus effectively destroyed, maiming Zadek's realist direction, and giving an overall impression that the production is still in rehearsal.

In contrast, Shakespeare is well-served by Jean-Michel Déprats's adaptation. The flowing, archaic English vernacular is skilfully transposed into stylish modern French verbal imagery. Zadek embroiders onto this tightly woven material a host of visual tricks, gimmicks and gags. Some work well, as when the Provost beautifully enlivens and punctuates a long and weighty speech with several attempts at lighting a cigar from a candle.

Against the gaudy peripheral colouring, François Marthouret's Duke and André Marcon's Angelo fade into the background, blown aside by the charismatic breezes that accompany Philippe Clévenot's very entrance as the streetwise, but foolish Lucio. Clévenot has a naturalness that brings Lucio alive. He invades the auditorium like a strolling player, making the audience his confidant.

Zadek's real coup, however, is luring Isabelle Huppert away from French and American cinema to play Isabella. She slips into the role with the titillating innocence of a young girl trying on her first grown-up party frock. Zadek brilliantly turns this imagery inside out by contriving to have Huppert's first moments on stage taken up with her stripping down to a diaphanous shift and putting on her novice's habit for the first time, then sneaking a look at herself in a hand mirror.

Huppert perfectly captures Isabella's idealised love of her own purity. She goes on to impart her panic convincingly when Angelo uses it as the only negotiable currency with which to buy the life of her brother. Huppert then fights her way through the emotions, leaving no tear unshed, no anger unspoken, and Zadek's direction at last finds its true voice.

DIANE HILL

NEW RELEASES

AWAKENINGS (12): Tender, heart-tugging tale of neurologist Robin Williams stirring the life force in Robert De Niro and other patients stricken with paralysis.
Odeon Leicester Square (071-930 6111).

BLOOD OATH (15): Largely monotonous, studio-bound slog through a Japanese war crimes trial in Indonesia. With Bryan Brown; director, Stephen Wallace.
Cannon Oxford Street (071-636 0310) Odeon Mezzanine (071-930 6111).

COMING OUT (15): Tribulations of a gay teacher in East Berlin; sincere, authentic, though the quiet pace limits the film's effect. Directed by Heiner Carow in 1989.
Metro (071-437 0757).

◆ THE ROAD HOME (15): Hugh Hudson's foolhardy, unsympathetic problem movie about middle-class tearaways in southern California. With Beastie Boys singer Adam Horovitz.
Cannon Panton Street (071-930 0631).

CURRENT

AVALON (U): Engaging personal saga about immigrant experience and post-war breakup of family life, by *Rain Man* director Barry Levinson. Fine performances by Armin Mueller-Stahl, Joan Plowright.
Curzon Phoenix (071-240 9661) Screen on the Hill (071-435 3366).

BERLIN JERUSALEM: Amos Gitai's stylised exploration of the Zionist dream; clever on paper, less rewarding on the screen.
ICA Cinema (071-930 3647).

C'EST LA VIE (12): Evocative autobiographical recollection by French director Diane Kurys: a childhood seaside holiday soured by marital breakup.
Barbican (071-638 8891) Premiere (071-439 4470).

CYRANO DE BERGERAC (U): Oscar nominee Gérard Depardieu masterful as the lovelorn, long-nosed Cyrano; director Jean-Paul Rappeneau transforms Rostand's play into magnificent, swashbuckling cinema.
Chelsea Cinema (071-351 3742) Lumière (071-836 0691) Renoir (071-837 8402) Whiteleys (071-792 3303/3324).

◆ DANCES WITH WOLVES (12): Kevin Costner as the Civil War lieutenant sucked into the Sioux's way of life. Over-reverent, though Costner mounts his directorial debut with aplomb. Nominated for 12 Oscars.
Cannons: Fulham Road (071-370 2636) Shaftesbury Avenue (071-836 8861) Odeon Marble Arch (071-723 2011) Screen on the Green (071-226 3520) Whiteleys (071-792 3303/3324) Warner (071-439 0791).

CINEMA GUIDE

Geoff Brown's assessment of films in London and (where indicated with the symbol ◆) on release across the country.

FEAR (18): Demure Ally Sheedy as the lady in peril — a psychic with a gift for seeing brutal murders. Fair psychological chiller from writer-director Rockne O'Bannon.
Cannons: Haymarket (071-839 1527) Oxford Street (071-636 0310).

◆ THE GODFATHER PART III (15): Brooding finale to Francis Ford Coppola's Mafia saga, handsomely staged but lacking resonance. Al Pacino, Andy Garcia, Talia Shire.
Cannons: Baker Street (071-935 9772) Fulham Road (071-370 2636) Empire (071-497 9999) Notting Hill Coronet (071-727 6705) Whiteleys (071-792 3303/3324).

◆ *GOODFELLAS* (18): *Oscar nominee* Martin Scorsese's dynamic gangster epic following a New York hoodlum's rise and fall. With Robert De Niro, Ray Liotta.
Cannon Fulham Road (071-370 2636) Odeon Mezzanine (071-930 6111) Warner (071-439 0791).

◆ GREEN CARD (12): Marriage of convenience becomes unbearable when slobbish Gérard Depardieu moves in with uptight Andie MacDowell. Likeable New York romantic comedy; director, Peter Weir.
Camden Parkway (071-267 7034) Cannon Chelsea (071-352 5096) Odeons: Kensington (071-602 6644/5) Swiss Cottage (071-722 5905) West End (071-930 5252/7615) Whiteleys (071-792 3303/3324).

◆ THE GRIFTERS (18): Stephen Frears' disjointed version of Jim Thompson's con-artist thriller. John Cusack, Anjelica Huston, Annette Bening, stranded in a glossy limbo.
Camden Plaza (071-485 2443) Cannons: Fulham Road (071-370 2636) Haymarket (071-839 1527) Odeon Swiss Cottage (071-722 5905) Warner (071-439 0791).

◆ MILLER'S CROSSING (18): Prohibition gang warfare from the brothers Coen: brooding, labyrinthine, over-laden with words and smart artifice. Gabriel Byrne, Albert Finney.
Camden Parkway (071-267 7034) Cannons: Haymarket (071-839 1527) Oxford Street (071-636 0310) Gate (071-727 4043).

MR AND MRS BRIDGE (PG): Eloquent portrait of an upper middle-class American marriage, from Evan S. Connell's novels. Joanne Woodward, Paul Newman; director, James Ivory.
Curzon Mayfair (071-465 8865).

THE NASTY GIRL (PG): Provocative, funny assault on Germany's Nazi past, with Lena Stolze as the girl uncovering her home town's shady history.
Minema (071-235 4225) Premiere (071-439 4470) Screen on Baker Street (071-935 2772).

◆ PACIFIC HEIGHTS (15): Evil tenant Michael Keaton makes life hell for landlords Matthew Modine and Melanie Griffith. Strenuous, implausible thriller; director, John Schlesinger.
Cannon Chelsea (071-352 5096) Odeons: Haymarket (071-839 7697) Kensington (071-602 6644/5) Swiss Cottage (071-722 5905) Whiteleys (071-792 3303/3324).

◆ POSTCARDS FROM THE EDGE (15): Caustic Tinseltown comedy, with a few tears, from Carrie Fisher's novel. Meryl Streep as the drug-abused actress; Shirley MacLaine as her mother. Director, Mike Nichols.
Cannons: Chelsea (071-352 5096) Tottenham Court Road (071-636 6148) Odeons: Kensington (071-602 6644/5) Mezzanine (071-930 6111) Whiteleys (071-792 3303/3324).

◆ THE RUSSIA HOUSE (12): Serpentine spy games with Sean Connery and Michelle Pfeiffer. Muted thriller from John Le Carré's novel; director, Fred Schepisi.
Camden Parkway (071-267 7034) Cannons: Baker Street (071-935 9772) Fulham Road (071-370 2636) Shaftesbury Avenue (071-836 8861) Plaza (071-497 9999) Whiteleys (071-792 3303/3324).

◆ THREE MEN AND A LITTLE LADY (PG): Horrendous sequel to *Three Men and a Baby*. Director, Emile Ardolino.
Cannons: Chelsea (071-352 5096) Oxford Street (071-636 0310) Odeons: Kensington (071-602 6644/5) Odeon Mezzanine (071-930 6111) Swiss Cottage (071-722 5905) Whiteleys (071-792 3303/3324) Warner (071-439 0791).

TILAI (PG): Formidably beautiful African tale of love versus village traditions from Idrissa Ouedraogo, director of *Yaaba*.
Metro (071-437 0757) Renoir (071-837 8402).

THEATRE GUIDE

Jeremy Kingston's assessment of current theatre in London
■ House full, returns only
◩ Some seats available
□ Seats at all prices

■ ALL IN THE WRONG: Sam Walters' bright new theatre opens with an amiable 18th-century romp of sexual misunderstandings.
Orange Tree, 45 Kew Road, Richmond (081-940 3633). Underground/BR: Richmond. Mon-Sat, 7.45pm, mat Sat, 4pm. Running time: 2hrs 45mins. Closes March 30.

□ THE BATTLE OF AUGHRIM: Intriguing 18th-century heroic tragedy as performed by 19th-century Thespians. London-Irish arts festival production.
Battersea Arts Centre, Lavender Hill, London SW11 (071-223 2223). British Rail: Clapham Junction. Tonight-Sun, 8pm.

□ *CHILDREN OF EDEN*: Genial musical jinks round Genesis, supplied by John Caird and Stephen Schwartz.
Prince Edward, Old Compton Street, W1 (071-734 8951). Underground: Leicester Square. Mon-Sat, 7.45pm, mats Thurs, Sat, 2.30pm. Running time: 2hrs 50mins.

■ FIVE GUYS NAMED MOE: Marvellous jazzy revue packed with Louis Jordan numbers. An evening of joy.
Lyric, Shaftesbury Avenue, W1 (071-437 3686). Underground: Piccadilly. Mon-Fri, 8pm, *Sat, 5pm and 8.45pm. Running time: 1hr 45mins.*

□ 42ND STREET: Irresistible tap-dancing novice-to-star musical back in town to give everyone a tonic.
Dominion, Tottenham Court Road, W1 (071-580 9562). Underground: Tottenham Court Road. Mon-Sat, 7.30pm, mats Thurs, Sat, 2.30pm. Running time: 2hrs 30mins. Closes April 20.

□ HIDDEN LAUGHTER: Emotional hangups, marital breakup and Peter Barkworth in Simon Gray's patchy drama.
Vaudeville, Strand, WC2 (071-836 9987). Underground: Charing Cross. Mon-Fri, 7.45pm, Sat, 8.30pm, mats Wed, 3pm, Sat, 5pm. Running time: 2hrs 15mins. Last week.

□ THE HOMECOMING: Warren Mitchell and others seducing and seduced by Cherie Lunghi in Peter Hall's Pinter revival.
Comedy, Panton Street, W1 (071-867 1045). Underground: Piccadilly Circus. Mon-Sat, 8pm, mats Wed, 3pm, Sat, 5pm. *Running time: 2hrs 15mins.*

◩ THE KING AND I: Susan Hampshire and Koshiro Matsumoto IX in old-fashioned show, packed with a wealth of hit songs.
Sadler's Wells, Rosebery Avenue, London EC1 (071-278 8916). Underground: Angel. Mon-Sat, 7.30pm, mats Wed, Sat, 2.30pm. Running time: 2hrs 50mins. Closes March 30.

◩ LULU: The charismatic Joanne Whalley Kilmer as Wedekind's voracious sex goddess littering the salons of Europe with corpses: fine production of a masterwork.
Almeida, Almeida Street, N1 (071-359 4404). Underground: Highbury & Islington. Mon-Sat, 7.30pm, mat Sat, 3.30pm. Running time: 3hrs. Closes April 20.

□ MAP OF THE HEART: Here be *clichés*. Tedious love-triangle blues by *Shadowlands* author William Nicholson.
Globe, Shaftesbury Avenue, W1 (071-437 3667). Underground: Piccadilly. Mon-Sat, 7.45pm, mats Wed, 3pm, Sat, 4pm. Running time: 2hrs 30mins.

■ PURGATORY IN INGOLSTADT: Violence and cruelty among school children in pre-Hitler Germany: superb production of Marieluise Fleisser's prescient 1924 play.
Gate, Prince Albert Pub, 11 Pembridge Road, W11 (071-229 0706). Underground: *Notting Hill Gate. Mon-Sat, 7.30pm. In* repertory with *Pioneers in Ingolstadt*. Closes March 30.

□ THE REHEARSAL: Ian McDiarmid's stylish production (costumes by Jasper Conran) of Anouilh's seduction play.
Garrick, Charing Cross Road, WC2 (071-379 6107). Underground: Leicester Square. Mon-Fri, 7.45pm, Sat, 8pm, mats Tues, 3pm, Sat, 4pm. Running time: 2hrs 30mins.

□ THE ROCKY HORROR SHOW: Raucous and wild, bold and bizarre, sometimes deafening rock musical.
Piccadilly, Denman Street, W1 (071-867 1118). Underground: Piccadilly Circus. Mon-Thurs, 8pm, Fri, Sat, 7pm and 9.15pm. Running time: 1hr 30mins.

◩ THE SHAPE OF THE TABLE: David Edgar's crisply argued, almost elegiac view of a Communist state collapsing into democracy.
National (Cottesloe), South Bank, London SE1 (071-928 2252). Tonight, tomorrow, 7.30pm, mat tomorrow, 2.30pm. Running time: 2hrs 30mins.

■ SILLY COW: Ben Elton's awkward collection of one-liners, centred around Dawn French as a ghoulish tabloid journo.
Theatre Royal, Haymarket, SW1 (071-930 8800). Underground: Piccadilly. Mon-Thurs, 8pm, Fri, Sat, 5.30pm and 8.45pm. Running time: 2hrs 10mins.

□ TIMON OF ATHENS: David Suchet suave and sulphurous in a modern-dress production by Trevor Nunn that enlivens Shakespeare's blank spots.
Young Vic, 66 The Cut, SE1 (071-928 6363). Underground: Waterloo. Mon-Sat, 7.30pm, mat Thurs, 1.30pm. Running time: 3hrs 15mins. Closes April 20.

◩ THE TRIAL: Antony Sher's powerfully restrained hero is truer to Kafka than Berkoff's lurid production.
National (Lyttelton) (as above). Tonight, tomorrow, 7.30pm, mat tomorrow, 2.15pm. Running time: 3hrs.

◩ TWELFTH NIGHT: Peter Hall's production stresses comedy and motive: with Eric Porter, Dinsdale Landen, David Ryall.
Playhouse, Northumberland Avenue, WC2 (071-839 4401). Underground: Embankment. Mon-Sat, 7.45pm, mats Wed, Sat, 3pm. Running time: 2hrs 40mins.

□ UNLAWFUL KILLING: Unconvincing attempt to fit the death of rose-grower Hilda Murrell into an MI5 conspiracy theory.
Theatre Royal Stratford East, Gerry Raffles Square, E15 (081-534 0310). Underground: Stratford. Mon-Sat, 8pm. Running time: 2hrs. Closes April 6.

□ WHAT THE BUTLER SAW: Incest, assault and bisexual junketing preserved in the aspic of Joe Orton's wit. *Not quite a top-class production but worth seeing.*
Wyndham's, Charing Cross Road, WC2 (071-867 1116). Underground: Leicester Square. Mon-Thurs, 8pm, Fri, Sat, 6pm and 8.40pm. Running time: 2hrs.

■ THE WIND IN THE WILLOWS: Alan Bennett's enchanting new version, with jolly sets popping up on the revolve, with Griff Rhys Jones, Richard Briers and all.
National (Olivier), South Bank, London SE1 (071-928 2252). Underground: Waterloo. Tonight-Sat, 7.15pm, mat Sat, 2pm. Running time: 2hrs 45mins.

LONG RUNNERS: ◩ Aspects of Love: Prince of Wales (071-839 5972) ... ◩ Blood Brothers: Albery (071-867 1115) ... □ Buddy: Victoria Palace (071-834 1317) ... ◩ Cats: New London (071-405 0072) ... □ Me and My Girl: Adelphi (071-836 7611) ... ■ Les Misérables: Palace (071-434 0909) ... ■ Miss Saigon: Theatre Royal, Drury Lane (071-836 8108) ... □ The Mousetrap: St Martin's (071-836 1443) ... ■ The Phantom of the Opera: Her Majesty's (071-839 2244) ... □ Return to the Forbidden Planet: Cambridge (071-379 5299) ... □ Run For Your Wife: Duchess (071-836 8243) ... □ Shirley Valentine: Duke of York's (071-836 5122) ... □ A Slice of Saturday Night: Arts (071-836 2132) ... □ Starlight Express: Apollo Victoria (071-828 8665) ... □ The Woman in Black: Fortune (071-836 2238).

Ticket information on member theatres supplied by Society of West End Theatre

ENGLISH NATIONAL BALLET: The small-scale company's touring repertoire includes Ben Stevenson's *Three Preludes*, Ronald Hynd's *The Sanguine Fan* and the company's new production, *Our Waltzes* — a sequence of dances for five couples by Venezuelan Vicente Nebrada, set to piano music.
Poole Arts Centre, Kingland Road, Poole (0202 685222), 7.30pm.

LA FANCIULLA DEL WEST: Petrika Ionescu's amply-staged production of Puccini's Wild West show for Welsh National Opera. Spirited performances by Suzanne Murphy as Minnie, Dennis O'Neill as Dick Johnson and Donald Maxwell as Jack Rance. *La traviata* (with Frances Ginzer), *Carmen* (with Jean Stilwell) and *Count Ory* (with Bonaventura Bottone) are also in the company's touring repertoire.
Mayflower Theatre, Commercial Road, Southampton (0703 229771), 7.15pm.

LINDA KITCHEN: The British soprano, recently praised for her portrayal of Papagena

TODAY'S EVENTS

in the Royal Opera's current production of *Die Zauberflöte*, gives a lunchtime recital in the Crush Bar.
Royal Opera House, Covent Garden, London WC2 (071-240 1066/1911), 1pm.

JIMMY SOMERVILLE: Riding high on the back of *The Singles Collection*, the master of the disco wail sallies forth with a live greatest-hits package.
Hammersmith Odeon, Queen Caroline Street, London W6 (071-748 4081), 7.30pm.

JOSE CARRERAS: Joined by soprano Judith Howarth and the Royal Philharmonic Opera Orchestra under Elio Boncompagni, the Spanish tenor performs some of his favourite operatic arias.
National Exhibition Centre, Birmingham (021-780 4133), 7.45pm.

LSO/SOLTI: Mozart's Symphony No 40 and Mahler's orchestral song-cycle *Das Lied von der Erde*, played by the London Symphony Orchestra under the tireless Sir Georg Solti. Mezzo-soprano Marjana Lipovsek and tenor Philip Langridge sing in the Mahler.
Barbican, Silk Street, London EC2 (071-638 8891), 7.45pm.

TRIBAL SHIELDS: The tribal shields from South Western Abyssinia included in this show are mystery objects. Made of hippopotamus hide by an unknown Nilotic tribe around the turn of the century, they have clearly been used (most are prettily mended) and now, if decidedly un-green, serve as self-sufficient works of art.
Knoedler Gallery, 22 Cork Street, London W1 (071-439 1096), 10am-5.30pm, until April 6

POP PRINTS: The Pop Art movement was at home with various forms of graphic art, particularly the screen-print with more or less photographic input. The Tate has more *than 100 prints from Britain and America*, charting the movement over some 30 years.
Tate Gallery, Millbank, London SW1 (071-821 1313), 10am-6pm, until June 23.

WORD-WATCHING

Answers from page 28

GLODE
(a) A clearing or open area, obsc. but related to *glade*: "He clutched my shoulder, pointed at a glode/Where blue burst through with a serenity like violence."

ACTON
(b) A stuffed jacket worn under a coat of mail, to prevent bruising and contusions, from the Arabic *al qutun* the cotton: "But Cranstoun's haste, of more avail/Through shield, and jack, and acton passed."

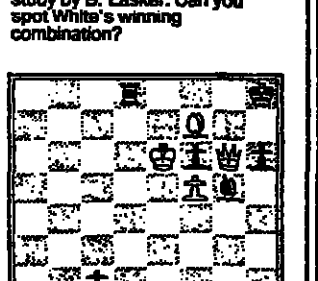
TRACHELATE
(c) Having a neck, from the Greek *trachelos* with a neck: "Trachelate, when of itself it forms a neck, the prothorax being represented only by membrane."

PETTICHAPS
(a) Northern dialect for the garden or other warbler, presumably from *petty* + *chaps*, but do warblers have small chaps? And how can you possibly tell?: "The quantities of cherries and raspberries that the blackcap and pettichaps will eat are surprising."

WINNING MOVE

By Raymond Keene, Chess Correspondent

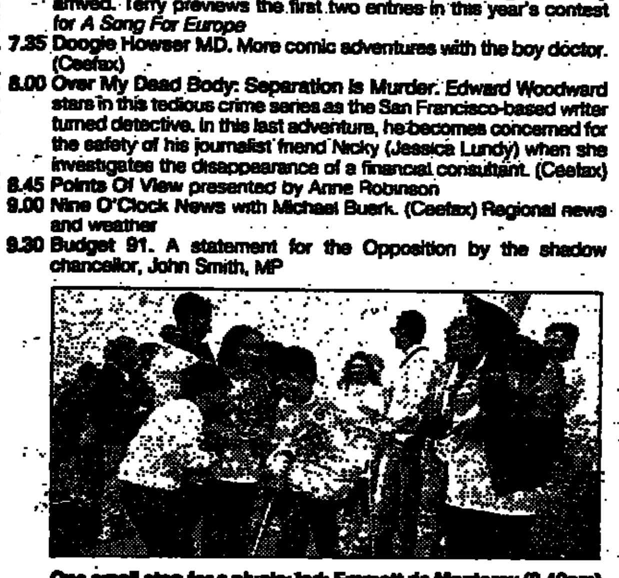
Today's position is an endgame study by B. Lasker. Can you spot White's winning combination?



ENTERTAINMENTS

BBC 1

6.00 Ceefax
6.30 BBC Breakfast News
9.15 Daytime UK. Linked contributions from BBC centres across the country starting with Kilroy, in which Robert Kilroy-Silk chairs a topical discussion
10.00 News and weather 10.05 Children's BBC with Simon Parkin begins with Playdays (r) 10.25 The Family Ness (r) 10.35 Going for Gold presented by Henry Kelly (r)
11.00 News and weather 11.05 People Today. Magazine programme about the lives of people in Britain
12.00 News and weather 12.05 Happy Memories. Cliff Michelmore and Wendy Gibson invite viewers to recall their wartime memories 12.20 Scene Today. Live entertainment and interviews from the Pebble Mill foyer. 12.55 Regional News and weather
1.00 One O'Clock News and weather
1.30 Neighbours. (Ceefax) 1.50 Going for Gold
2.15 Knots Landing: Drama about the rich residents of a Californian cul-de-sac. Abby's (Donna Mills) make-up shows signs of cracking along with the layer of cement covering the playground at Lotus Point, threatening to reveal the body of Peter Hollister
3.00 *King and Company.* Wildlife photographer Simon King is joined by David Essex on a visit to the Monarch Islands, the home of the elusive grey seal (r). (Ceefax)
3.30 Popeye Triple Bill 3.50 Bodger and Badger. Children's comedy series set in a school 4.05 Jimbo and the Jet Set (r) 4.10 Jackanory. Peter Davison reads the first of a three-part story, *The Real Thief*, written by William Steig 4.25 The Chipmunks 4.35 Potsworth and Co
5.00 Newsround 5.10 Dodgem. Episode five of the six-part drama about children in care (Ceefax)
5.35 Neighbours (r) (Ceefax) Northern Ireland. Sportswide 5.40 Inside Ulster
6.00 Six O'Clock News with Anna Ford and Laurie Mayer. Weather
6.30 Regional News Magazines. Northern Ireland: Neighbours
7.00 Wogan. The moment most of us have been dreading has finally arrived. Terry previews the first two entries in this year's contest for *A Song For Europe*
7.35 Doogie Howser MD. More comic adventures with the boy doctor. (Ceefax)
8.00 Over My Dead Body: Separation Is Murder. Edward Woodward stars in this tedious crime series as the San Francisco-based writer turned detective. In this last adventure, he becomes concerned for the safety of his journalist friend Nicky (Jessica Lundy) when she investigates the disappearance of a financial consultant. (Ceefax)
8.45 Points Of View presented by Anne Robinson
9.00 Nine O'Clock News with Michael Buerk. (Ceefax) Regional news and weather
9.30 Budget 91. A statement for the Opposition by the shadow chancellor, John Smith, MP



One small step for a plucky lad: Emmett de Monterey (9.40pm)

9.40 QED: On His Own Two Feet.
● CHOICE: If life always imitated art and everyone lived happily ever after, there would have been no need for this follow-up to last year's *QED* film about Emmett de Monterey, the 12-year-old London lad with cerebral palsy, who underwent complex surgery to help him walk normally. The last time we saw Emmett, there was qualified hope for him; medical science had not thrown in the sponge. And neither had the plucky lad — a fact that gave last year's film its inspirational quality, and this is also the keynote of the sequel which shows what happened when the teenager had further distressing surgery in the United States and became the wonder boy of American television ("It must be nice," drooled the inane commentator, "having your own television crew, following you around for a year!"). The full story of Emmett de Monterey has not yet been told. In fact, as Anthony Clare, tonight's narrator says, perhaps the best part is only just beginning
10.10 Sportsnight. Steve Rider introduces highlights of the second leg matches in the European club competitions quarter-finals including the clash between Marseille and AC Milan, as the French club hope to build on their fine 1-1 draw at Milan in the first leg. The programme also features a profile of Jack Charlton, who will be joining John Motson to preview next week's all-important European Championship match between England and the Republic of Ireland 11.50 Weather

BBC 2

6.45 Open University: Social Science Foundation Course — Reading the Landscape. Ends at 7.35
8.00 News
8.15 Westminster. A round-up of yesterday's business from both Houses
9.00 Daytime on Two: A tour of Otley Hall 9.05 Together 9.30 Maths adventures for seven to nine-year-olds 9.45 Science series aimed at five and six-year-olds. 10.00 You and Me 10.15 Search out science 10.40 Around Scotland 11.00 Learning to read series 11.15 English Time 11.35 Teaching Today 12.10 Science in Action 12.30 Lifeschool 12.55 Everyday maths made simple for adults 1.20 Pie in the Sky 1.40 Zig Zag
2.00 News and weather followed by You and Me (r) 2.15 Craftsmen. Philip Ledger investigates the harpsichord's enduring popularity (r) 2.35 Country File. Many people are concerned about the effects of chemicals in the food chain, while others feel that much of what is reported is scare-mongering. John Craven examines the two sides to the argument (r)
3.00 News and weather followed by Westminster Live 3.50 News, regional news and weather
4.00 Catchword. Word quiz hosted by Paul Coia
4.30 Plunder. Julian Clary rummages through BBC archives unearthing vintage Marc Bolan, and footage of St Bernard's dogs rampaging through Blue Peter, plus other celluloid loot. Presented by Emma Freud
5.00 News headlines followed by Advice Shop. When the Department of Social Security errs, what course of action can be taken? Social Security Appeals presents a case study and advice for the needy
5.30 Gardener's World. Geoff Hamilton and the team get creative with beds and borders, and give helpful hints on houseplants in this week's programme (r)
6.00 Star Trek: The Next Generation. Picard is privy to subversive plans that threaten to undermine Starfleet's highest ranks, and he must now question the loyalty of an old buddy, Admiral Quinn. Tension heightens when Captain Keel's vessel is destroyed, and Picard is left to steer the Enterprise, and the action, into safer territory. (Ceefax)
6.50 DEF II begins with Reportage. Snappy current affairs presentation from Aminatta Forna in Manchester, exploring young people and mental health 7.40 Rapido. Antoine de Caunes correlates women, sex and pop chart success, discovers the children of Devo, and re-discovers REM and Peter Gabriel
8.10 Antenna. A revelation that hot ice — frozen methane — may well revolutionise conventional fuel production methods, and have beneficial effects on the extent of the Earth's fuel supplies in the future. Plus a look at the potential of earthworms and other underground life-forms, and Nobel Peace prize winner, Dr Bernard Lown, discusses medicine and healing
9.00 M*A*S*H. Hawkeye's patient is Patrick Swayze, making an appearance as a wounded soldier whose offer to donate blood to save a badly-injured friend is rejected because of his own illness (r)
9.25 For The Greater Good: Member.
● CHOICE: We should always be a bit wary when a drama series that makes minatory noises and gestures about what is in store for Britons, asks us to accept that the setting is "the near future". How near? This century? Early the next? Next week? Certainly, G.F. Newman's three-part series looks and sounds horribly contemporary, what with the Aids crisis mounting, and riots in our prisons. Less topical (which may explain the faded air it imparts to episode one) is that reliable standby, the threat of Britain becoming a police state. Newman constructs each episode around a different key figure in the continuing drama. Tonight, it is a backbench MP (Martin Shaw), who gets dragged into the cockpit by his reluctant ears. *For the Greater Good* is, unarguably, a good shopwindow for Simpson's Establishment-bashing techniques. However, for some, its complicated plot may demand too high a level of concentration. (Ceefax)

A reluctant parliamentary backbencher: Martin Shaw (9.25pm)

10.25 Budget 1991. John Smith, MP, shadow chancellor, responds to the Budget on behalf of the Opposition
10.35 Newsnight presented by Peter Snow
11.20 The Late Show. Arts and media magazine
12.05am Open University: Literature in the Modern World. Samuel Beckett's *Endgame*. Ends at 1.40

ITV

6.00 TV-am
9.25 Lucky Ladders. Word association game 9.55 Thames News and weather
10.00 The Time . . . The Place . . . with John Stapleton
10.40 This Morning. Magazine series on family matters
12.10 Allsorts. For the young
12.30 News with John Suchet. Weather 1.10 Thames News and weather
1.20 Home and Away 1.50 A Country Practice
2.20 Take the High Road. Scottish soap set in the Highlands 2.50 Jumble. Jeff Stevenson hosts the cryptic cartoon quiz with celebrity contestants Tim Brooke-Taylor and Faith Brown
3.15 ITN News headlines 3.20 Thames News headlines 3.25 The Young Doctors. Australian medical drama serial
3.55 Woof! Comedy about a young boy who periodically turns into a dog. (Oracle) 4.25 Garfield and Friends 5.00 Warner Brothers Cartoon
5.10 Blockbusters. Bob Holness hosts the quiz for teenagers
5.40 News with Carol Barnes. (Oracle) Weather
5.55 *Thames Help. Jackie Spreckley with details of the west London* housing action centre
6.00 Home and Away (r)
6.30 Thames News and weather
7.00 This Is Your Life. Michael Aspel gives another worthy the surprise of his/her life when he hands over the famous red book
7.30 Coronation Street. (Oracle)
8.00 Inspector Morse: Greeks Bearing Gifts. John Thaw stars as the opera and real ale-loving detective based in Oxford. Matters Greek are to the fore when the chef at Sgt Lewis's (Kevin Whateley) favourite Greek restaurant is murdered and Morse sees a connection with the Greek classics with which he is more familiar. Also entangled in the intrigue are the Greek navy and television personality Friday Rees, played by Jan Harvey from *Howards' Way*. (Oracle)
10.00 News at Ten with Trevor McDonald and Julia Somerville. (Oracle). Weather 10.30 Thames News and weather
10.40 Budget 91. The shadow chancellor, John Smith, MP with his response to Norman Lamont's Budget

With the people of the Marquesas: John Hemingway (10.50pm)

10.50 Compass: The Land of Man.
● CHOICE: Ernest, his celebrated near-namesake, could have been relied on to find more dynamic words to describe the quest than those used by writer and broadcaster John Heminway, whose trip to the Polynesian islands, looking for paradise on earth, is the subject matter of Ken Grieve's visually ravishing film. "Am I here at the right time to find paradise?" he asks a Norwegian anthropologist. "No," comes the deflating reply, "you should have come here 200 years ago, preferably with Captain Cook." The ill-fated captain failed signally to find a new Eden in the South Seas. So did Gauguin and Melville. Does John Heminway have better luck? Seemingly, odd corners of earthly paradise *do* survive in the Marquesas Islands, despite the arrival of video recorders, a telephone kiosk, and a clock that the shopkeeper says was Gauguin's though it turns out to be an old school clock someone had bought in Minnesota
11.50 Thames Soccer Special. Highlights of this evening's first division game between Arsenal and Nottingham Forest at Highbury. With commentary by Alan Parry and an interview with England manager Graham Taylor
12.30 Film: 11 Harrowhouse (1974). Enjoyably comic diamond heist caper with an impressive cast including James Mason, John Gielgud, Candice Bergen and Trevor Howard. The title is the address of Consolidated Selling System, a clearing house for diamonds which an American jewel thief (Charles Grodin) attempts to rob. Directed by Aram Avakian
2.15 Videofashion. Beauty secrets from hair and make-up specialists
2.40 America's Top Ten introduced by Tommy Puett
3.10 Quiz Night. The pub and club quiz game
3.40 The Channon & Ball Video Show. Soccer nostalgia with Mick Channon and Alan Ball
4.40 Fifty Years On. A look back to the newsreels of March 1941
5.00 Nashville Swing. Country music with special guest Margo Smith (r)
5.30 ITN Morning News with Brenda Rowe. Ends at 6.00

CHANNEL 4

6.00 The Channel Four Daily including regular news headlines and *The Art of Landscape*
9.25 Schools
12.00 The Parliament Programme presented by Sue Cameron
12.30 Business Daily with Susannah Simons
1.00 Sesame Street. Pre-school children's educational entertainment
2.00 Film: Wabash Avenue (1950). Frilly musical starring the never-changing Betty Grable. Two rival tricksters (Victor Mature and Phil Harris) stage a theatrical showdown to win the favour of an entertainer, Ruby Summers, in this unnecessary remake of Grable's earlier hit *Coney Island*. Directed by Henry Koster
3.45 An Artist Looks at Churches. A British Rail documentary in which artist John Piper explores England's religious architecture (r)
4.00 Not Pots. The final programme in this series looking at traditional arts and crafts focuses on the world of professional knitting (r)
4.30 Countdown. Words and numbers quiz hosted by Richard Whiteley
5.00 The Adventures of TinTin. Episode two of *Shooting Star* (r)
5.05 The Oprah Winfrey Show. Oprah Winfrey chats to Sally Field about her new movie *Not Without My Daughter*
6.00 *A Different World.* A fourth season of the award-winning *Cosby Show* spin-off about the trials and tribulations of life at Hillman College
6.30 Tonight With Jonathan Ross. The guests include author Jim O'Connor. Music is provided by Womack and Womack
7.00 Channel 4 News with Jon Snow and Zeinab Badawi (Teletext)
7.50 Party Political Comment from a Liberal Democrat politician. Followed by Weather
8.00 Brookside. (Teletext)

Marathon organisers: John Disley, Christopher Brasher (8.30pm)

8.30 Dispatches.
● CHOICE: Christopher Brasher, the director of the London Marathon, announced yesterday that he was stepping down, giving extra news value to this investigation by Duncan Campbell into the running, administratively speaking, of the race. In general terms, the allegations Campbell makes against the race's Big Two — Mr Brasher and John Disley — is that they have blurred the boundary lines between the marathon's charitable and commercial interests. Specifically he alleges that questions about tax evasion have gone unanswered, that there has been falsification of key marathon accounts, and that, against all the rules, Messrs Brasher and Disley have received money and benefits from charity. Trial by television has both a good track record and a bad one. Time alone will decide into which category tonight's one-sided trial will be placed
9.15 Short and Curlies: Unusual Ground Floor Conversion. A young author seeking solitude and inspiration soon discovers why the previous tenants of his ground-floor flat were so eager to vacate the premises. With Adrian Dunbar and the late Roy Kinnear. Written and directed by Mark Herman (Teletext)
9.30 Free for All. Magazine programme where viewers' concerns are tackled by an independent film unit comprising professionals and volunteers. Includes adman Dave Trott's short, *Fat Cats*, which in 30 seconds decries the West for treating its pets more generously than famine-stricken Third World children
10.00 The Golden Girls. Back to the early days of the popular sitcom about four unlikely women sharing a Miami home. Can Dorothy (Bea Arthur) restore civility between herself and estranged husband, Stan, for long enough to prevent their daughter's wedding day turning into a disaster? (Teletext)
10.30 Vic Reeves Big Night Out. More comic chaos from Vic Reeves and Bob Mortimer
11.00 The Very Bits of Absolutely. Highlights of the anarchic Scottish comedy show. Calum Gilhooley is paid a visit by Jehovah's Witnesses and Stoneybridge village has visions of becoming Paris' sister-city
11.35 The Endless Game. Part two of Bryan Forbes's thriller. Sylvia (Monica Guerritore) rescues Hillsden (Albert Finney) and sets him back on course in demystifying the intrigue that has brought about the demise of his former lover. With Ian Holm, Sir Anthony Quayle and Nanette Newman (r)
1.25am Public Face: Private Eye — Keep Things As They Are. Ian Breakwell, painter and artist, relives his Cambridge days of the early Eighties when he was artist-in-residence at King's College. Ends at 1.40

TV VARIATIONS

ANGLIA
As London except: 6.25pm-7.00 Anglia News 11.50 The Equaliser 12.50am Gilbert's Late 1.20 Quiz Night 1.50 Street Killing 3.15 Raw Power 4.15 Fifty Years On 4.35 Farming Diary 5.00-5.30 Nashville Swing

BORDER
As London except: 1.50pm Sons and Daughters 2.20-2.50 Scottish Women 5.10-5.40 Home and Away 6.00 Lookaround Wednesday 6.30-7.00 Blockbusters 11.50 Alfred Hitchcock Presents 12.20 Jake and the Fatman 1.15 Donahue 2.10 Video View 2.40 Film: Beautiful But Dangerous 4.45 Five Star 5.00-5.30 Jobfinder

CENTRAL
As London except: 6.25pm-7.00 Central News 11.50 Central Sports Special 12.50 Film: Brannigan 2.55 Donahue 3.50 Pick of the Week 4.20 An Invitation to Remember Donald Sinden 4.50-5.30 Jobs

GRAMPIAN
As London except: 1.50pm Sons and Daughters 2.20-2.50 Do The Sea? 5.10-5.40 Home and Away 6.00 North Tonight 6.30-7.00 Blockbusters 11.50 The Blood is Strong 12.50 Alfred Hitchcock Presents 1.15 Donahue 2.10 Video View 2.40 Film: Beautiful But Dangerous 4.45 Five Star 5.00-5.30 Jobfinder

GRANADA
As London except: 6.30pm-7.00 Granada Tonight 11.50 Alfred Hitchcock 12.20 Jake and the Fatman 1.15 Donahue 2.10 Video View 2.40 Film: Beautiful But Dangerous 4.45 Five Star 5.00-5.30 Jobs

HTV WEST
As London except: 3.25pm-3.55 Sons and Daughters 5.10-5.40 Home and Away 6.00-6.30 HTV West 6.30-7.00 Blockbusters 11.50 Friday the 13th 12.50 America's Top Ten 1.20 Donahue 2.15 Schmaniac 3.45 An Invitation to Remember Donald Sinden 4.15 The Silk Road 5.05-5.30 Jobfinder

HTV WALES
As HTV West except: 6.00pm-6.30 Wales at Six 11.50-12.50am Championship Boxing

TSW
As London except: 2.20pm-2.50 Farmhouse Kitchen 3.25-3.55 Home and Away 5.10-5.40 Take the High Road 6.00 TSW Today 6.30-7.00 Blockbusters 11.50 Alfred Hitchcock Presents 12.20 Jake and the Fatman 1.15 Donahue 2.10 Video View 2.40 Film: Beautiful But Dangerous 4.45 Five Star 5.00-5.30 TSW Jobfinder

TVS
As London except: 1.50pm-2.20 The Young Doctors 3.25-3.55 Sons and Daughters 5.10-5.40 Home and Away 6.00 Coast to Coast 6.30-7.00 Blockbusters 11.50 Film: The House That Dripped Blood 1.35 Donahue 2.30 Night Heat 3.25 Extra Dimensions 4.20 Kate Bush 5.00-5.30 America's Top Ten

TYNE TEES
As London except: 1.50pm-2.20 Up Country 5.10-5.40 Home and Away 6.00 Northern Life 6.30-7.00 The Useful Guide 11.50 Alfred Hitchcock Presents 12.20 Jake and the Fatman 1.15 Donahue 2.10 Video View 2.40 Film: Beautiful But Dangerous 4.45 Five Star 5.00-5.30 Jobfinder

ULSTER
As London except: 1.50pm-2.20 Sons and Daughters 3.25-3.55 Who's The Boss? 5.10-5.40 Home and Away 6.00 Six Tonight 6.30-7.00 Blockbusters 10.50 Sportsbeat Special: Ards v Glentoran 11.45 Compass 12.45 Alfred Hitchcock Presents 1.15 Donahue 2.10 Video View 2.40 Film: Beautiful But Dangerous 4.45 Pop Profile 5.00-5.30 Jobfinder

YORKSHIRE
As London except: 5.10pm-5.40 Home and Away 6.00 Calendar 6.30-7.00 Blockbusters 11.50 The Sweeney 12.50 Dirty Dancing 1.20 In the Heat of the Night 2.15 Quiz Night 2.45 How Was It For You? 3.15 Comedy Tonight 3.45 Music Box 4.45-5.00 Jobfinder

S4C
Starts: 6.00am C4 Daily 9.25 Ysgolion 12.00 Special 12.10 Pobol Y Cwm 12.30 Newyddion 12.40 Slot Meithrin 1.00 Countdown 1.30 Business Daily 2.00 Vintage 2.30 Film: Mother Wore Tights 4.30 Slot 23 5.15 Brookside 5.45 Hano 6.00 Newyddion 6.10 Hano 6.40 Pobol Y Cwm 7.00 Hel Straeon 7.30 Ar Y Tir 8.00 Nature Watch 8.30 Newyddion 8.55 Sbectrwm 9.25 Now You're Talking 9.50 Film: Hamsprey 11.35 The Endless Game 1.25 Public Face: Private Eye 1.40 Diwedd

RTE 1
Starts: 12.15pm Dáil Report 12.30 Check Up 1.00 News 1.35 Blizzard's Wizard Woodwork 2.00 Sam 3.00 Live At Three 4.00 News followed by Emmerdale 4.30 Knots Landing 5.20 Out of Limits 5.30 A Country Practice 6.00 The Angelus 6.01 Six-One 7.00 Susan Susan 7.35 MacGyver 8.30 Look Here 9.00 News 9.30 Bibi 10.30 Wednesday Report 11.05 Bergerac 12.05am News 12.15 Close

NETWORK 2
Starts: 2.30pm Bosco 3.00 The Den 6.30 Home and Away 7.00 Nuacht 7.05 Cúrsaí 7.30 Coronation Street 8.00 News 8.05 This Is Your Life 8.35 Who's The Boss? 9.00 Cheers 9.30 News followed by Diamonds 10.25 Nighthawks 11.05 News 11.25 Dáil Report 11.45 Close

SATELLITE

SKY ONE
● Via the Astra and Marcopolo satellites.
6.00am The DJ Kat Show 8.35 Mrs Pepperpot 8.45 Panel Pot Pourri 10.00 Here's Lucy 10.30 The Young Doctors 11.00 The Bold and the Beautiful 11.30 The Young and the Restless 12.30pm Sale of the Century 1.00 True Confessions 1.30 Another World 2.20 Santa Barbara 2.45 Wife of the Week 3.15 Bewitched 3.45 The DJ Kat Show 5.00 Punky Brewster 5.30 McHale's Navy 6.00 Family Ties 6.30 Sale of the Century 7.00 Love at First Sight 7.30 Anything for Money 8.00 "V" 9.00 Equal Justice 10.00 Love at First Sight 10.30 The Hitchhiker 11.00 Mickey Spillane's Mike Hammer 12.00 Pages from Skytext

SKY NEWS
● Via the Astra and Marcopolo satellites.
News on the hour
5.00am Newswatch 6.00 Sunrise 9.00 Sunrise 9.30 Newsline 10.30 Roving Report 11.00 International Business Report 11.30 Dayline 12.30pm NBC Today 1.30 NBC Today 2.30 Parliament Live 3.15 Parliament Live 4.30 Roving Report 5.00 Live at Five 6.30 Newsline 8.30 Roving Report 10.30 Newsline 11.30 NBC News 12.30am CBS News 1.30 NBC News 2.30 CBS News 3.30 NBC News 4.30 Beyond 2000

SKY MOVIES
● Via the Astra satellite.
6.00am Showcase
10.00 Lucky Lady (1975): A Thirties showgirl becomes involved with two rum-runners
12.00 The Lodger (1944): A mysterious lodger may or may not be Jack the Ripper. Starring George Sanders and Merle Oberon
2.00pm The Birch Interval (1976): A young girl goes to live with her relatives in Amish country. Starring Ann Wedgworth
4.00 The Dirt Bike Kid (1986): A young boy uses his cross-country motorbike to foil a gang of bikers and a crooked businessman. Starring Peter Billingsley
6.00 Codename Emerald (1985): A Nazi double agent (Ed Harris) is caught up in a plot to kidnap a young intelligence officer (Eric Stoltz) who holds the plans for the D-day invasion
7.40 Entertainment Tonight
8.00 City of Blood (1987): A coroner investigating a series of brutal murders becomes involved in the supernatural
8.40 At the Pictures
10.00 The Battle of the Blockbusters. Viewers can vote for, either Switching Channels (1988): A newsreader (Kathleen Turner) is determined to quit her job so that she can marry Christopher Reeve. Her former husband and producer (Burt Reynolds) has other ideas, or Broadcast News (1987): Reporter Albert Brooks is dismayed when a neurotic female television producer (Holly Hunter) falls for handsome new anchorman William Hurt
12.10am The Telephone (1987): An out-of-work actress (Whoopi Goldberg) spends most of her time talking on the telephone
1.45 Three Fugitives (1989): A reformed bank robber (Nick Nolte) is taken hostage by a bungling crook (Martin Short)
4.00 I Was a Teenage Vampire (1988): A teenage boy turns into a vampire and is stalked by a demented vampire hunter. Starring Robert Sean Leonard. Ends at 5.30

EUROSPORT
● Via the Astra satellite.
5.00am International Business Report 5.30 European Business Today 6.00 The DJ Kat Show 7.30 Eurobics 8.00 British Formula 3 Motor Racing 8.30 Darts World Championships 9.30 Virginia Slims Tennis 10.30 Eurobics 11.00 American Arena Football 12.30pm Ski-Jumping 1.00 Golf: The Johnny Walker Asian Classic 2.00 Luge World Championships 2.30 US Open Table Tennis 3.30 US College Basketball 4.30 World Circus Championships 5.00 Ski-Jumping 5.30 Transworld Sport 6.30 Eurosport News 7.00 Formula 3 Powerboating 8.00 The Ford Ski Report 9.00 Ringside 10.00 European Football 11.00 Six-Team Handball Tournament 12.00 Eurosport News 12.30am Test Match Cricket

SCREENSPORT
● Via the Astra satellite.
7.00am Spanish Football Highlights 7.30 Sport de France 8.00 Hippodrome French Racing 8.30 Fight Night at the Forum 10.00 Step-Rhythmic/Artistic World Cup Gymnastics 11.00 Ten Pin Bowling 12.15pm Go 1.15 US Pro Ski Tour Slalom 2.00 Spain Spain Sport 2.15 Tenpin Bowling 3.30 Muay Thai Kick Boxing 5.00 Step-World of Champs 6.00 Update: US PGA Nestlé Invitational 8.00 USA Kick Boxing 9.30 World of Champions 10.00 Ice Hockey NHL 1991 12.00 Dunhill Cup Golf

MTV
● Via the Astra satellite.
Twenty-four hours of rock and pop

LIFESTYLE
● Via the Astra satellite.
10.00am The Great American Gameshows 11.15 Coffee Break 11.20 Everyday Workout 11.50 Sim Cooking 12.15pm Sally Jessy Raphael 1.05 What's New 1.10 Search for Tomorrow 1.35 The Edge of Night 2.00 Afternoon Cinema: Lights, Camera, Action, Love 3.55 Tea Break 4.05 Phyllis 4.35 The Great American Gameshows 6.00 The Sell-a-Vision Shopping Programme 8.00 Close 10.00 The Sell-a-Vision Shopping Programme 12.00 Satellite Jukebox

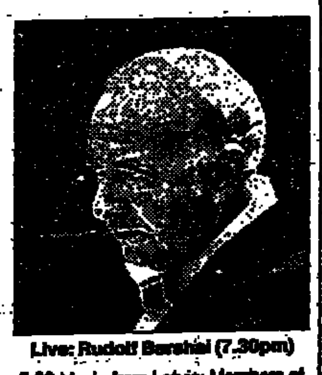
THE MOVIE CHANNEL
● Via the Marcopolo satellite.
1.45pm 1001 Nights (1945): Adventure with Aladdin and his magic lamp
3.20 The Movie Show
3.50 The Buccaneer (1938): Pirate Jean Lafitte helps the Americans fend off the invading British hordes in New Orleans
6.00 Goodbye Supermom: When Valerie Harper quits her job she begins to realise that liberation is not simply a matter of equality but a matter of freedom of choice
7.35 The Movie Show
8.00 Kojak: Flowers for Matty. Starring Telly Savalas
10.00 Little Nikita (1988): An American teenager (River Phoenix) discovers that his parents are sleeper Soviet agents
11.40 Lady Beware (1987): A designer's erotic window displays attract the unwanted attentions of a psychopath
1.35am Three Wishes of Billy Grier (1984): Starring Ralph Macchio. Ends at 3.15

THE SPORTS CHANNEL
● Via the Marcopolo satellite.
12.30pm Racing Today 1.00 Live One Day International Cricket 9.30 Racing Today 10.00 Australian Rugby League 12.00 One Day International Cricket 1.00am Australian Rugby League

THE POWER STATION
● Via the Marcopolo satellite.
7.00am Twenty-one hours of rock and pop

RADIO 3

6.35-6.55am Open University (FM only): Arts — Language in *Hard Times*
6.55 Weather and News Headlines
7.00 Morning Concert. Poulenc (Sextet for piano, flute, oboe, clarinet, bassoon and horn: Nash Ensemble under Lionel Friend), Fauré (Impromptus No 2 in F minor, Op 31, and No 3 in A flat, Op 34: Cécile Ousset, piano)
7.30 News
7.35 Morning Concert (cont): Carlos Chávez (Republican Overture, Chapultepec: Royal Philharmonic Orchestra under Enrique Bátiz); Vivaldi (Concertos in G minor, RV 157, and in G, RV 146: Capella Savaria under Nicholas McGegan, harpsichord); Rossini, trans Liszt (Soirées musicales Part 2, Nos 2, 8, 10, 12: Jenő Jandó, piano); Holst (St Paul's Suite: Guildhall String Ensemble under Robert Salter, violin)
8.30 News
8.35 Composers of the Week: Ottorino Respighi. Brazilian Impressions (Philharmonia under Geoffrey Simon); Quartetto dorico (Fairfield Quartet); Ancient Airs and Dances, Suite No 2 (Boston Symphony Orchestra under Seiji Ozawa)
9.35 Midweek Choice Comic Relief, with Susan Sharpe. Requests made by listeners who have rung in with donations to Comic Relief over the past two weeks
11.25 College Concert: BBC Philharmonic Orchestra under Markus Stenz, led by Dennis Simons, with Michael Roll, piano; performs Schubert (Overture, Rosamunde); Mozart (Piano Concerto No 25 in C, K 503), Brahms (Symphony No 1 in C minor)
1.00pm News
1.05 Concert Hall: Live from Broadcasting House, London. Cummings String Trio performs Haydn (String Trio in G, Op 53 No 1); Martinů (String Trio, 1934); Beethoven (String Trio in G minor, Op 9 No 3)
2.00 Record Review (r)
3.10 Vintage Years: Czech Philharmonic Orchestra under Václav Talich performs Smetana (Vltava, Tábor, Blaník, Má Vlast)
4.00 Choral Evensong. Live from Bramdean School in Exeter



Live: Rudolf Barshai (7.30pm)

5.00 Music from Latvia: Members of the Jumprava Folk Band introduce and perform the second of two programmes of songs and dances
5.30 Mainly for Pleasure, with Richard Baker
7.00 News
7.05 Third Ear, with Robert Hewison
7.30 BBC Welsh SO under Rudolf Barshai, with Cécile Ousset, piano, performs Prokofiev (Two Waltzes, War and Peace; Piano Concerto No 3 in C, Op 26) 8.10 Beethoven in Heiligenstadt. Piers Burton-Page visits the house where Beethoven spent the summer of 1802 in a vain attempt to cure his deafness 8.30 Beethoven (Symphony No 3 in E flat, Op 55, Eroica). Live from the Brangwyn Hall, Swansea
9.30 The Search for Certainty: Before Zero. The first of two documentaries by Professor John Taylor of King's College, London. Can science explain the creation of the universe and the origin of the laws of physics?
10.15 Haydn (String Quartet in E flat, Op 71 No 3: Aeolian String Quartet)
10.45 BBC Singers on Tour: The mezzo-soprano Judith Bingham introduces a programme recorded at the Alte Oper in Frankfurt last December. Simon Joly conducts Messiaen (Cinq rechants); Takemitsu (Wind; Horse)
11.30 News
11.35-12.35am Composers of the Week: J.S. Bach (r)
1.00-2.25 Night School (FM only) (except in Scotland)

RADIO 4

(s) Stereo on FM
5.55am Shipping Forecast 6.00 News Briefing, Weather 6.10 Farming Today 6.25 Prayer for the Day 6.30 Today, incl 6.30, 7.00, 7.30, 8.00, 8.30 News 6.55, 7.55, Weather 8.58 Weather
9.00 News
9.05 Money Box Budget Call: 071-580 4411. Your chance to discuss yesterday's Budget with the *Money Box* team. Lines open from 8am
10.00 News; Gardeners' Question Time (r)
10.30 Morning Story: Breakfast in Belfast, by John Tunney
10.45 Daily Service
11.00 News; File on 4 (r)
11.42 Profile: A radio portrait, in conversation, recollection and anecdote
12.00 News; You and Yours
12.25pm Blandings: Pig-Hoo-oo-o-o-ey! The third of six short stories by P.G. Wodehouse (r) 12.55 Weather
1.00 The World at One
1.40 The Archers (r) 1.55 Shipping
2.00 News; Woman's Hour: There is a discussion on the casting and miscasting of actors in films; a report on mothers who give up their children for adoption at birth, the treasury minister Gillian Shephard talks about the Budget, and there is an item on spring-cleaning
3.00 News: Canterbury Tales: The Wife of Bath's Tale. The second of a four-part adaptation by Colin Haydn Evans of Chaucer's tales. The pilgrimage continues and the Wife of Bath (Rosemary Leach) tells of a young knight's awakening to love. A hideous crone saves him from death on one terrible condition. Or is it terrible? (s)
3.47 Enquire Within 4.00 News
4.05 End of a Line. Freshwater Pearls
● CHOICE: Pearl fishing is a strenuous and sometimes hazardous business but on the day Paul Heiney went out with Peter Goodwin from the latter's cottage in the east of Scotland they prised open a mussel containing a specimen worth £15-£20. "You hope for enough to make a living," says Goodwin, "and then you're looking for beer money." Equipment is primitive, consisting basically of a glass-bottom bucket to look for the elusive twisted shell. Goodwin gave up a job in Essex after seeing a television programme on pearl fishing. But it is a solitary life and with no fortunes to be made
4.30 Kaleidoscope: The British film director Mike Leigh talks about his new film, *Life is Sweet*; and Elizabeth Wright reviews the Chinese director Zhang Yimou's film *Judou*, which has been banned in China (s)
5.00 PM 5.50 Shipping Forecast 5.55 Weather
6.00 Six O'Clock News; Financial Report
6.30 Slightly Foxed: Gill Pyrah chairs the well-read literary quiz (s) (r)
7.00 News 7.05 The Archers
7.20 Age to Age: The former BBC correspondent Frank Gillard tells Barry Cunliffe how the information war was fought on the Normandy beaches in 1944
7.45 Medicine Now, with Geoff Watts (r)
8.15 A Perspective for Living: Bernard Levin recalls how he was affected by the death of his friend, the novelist and journalist Peter Forster (s)
8.45 In Business: Something from Nothing. Peter Day presents a report on Britain's Asian immigrants, who clawed their way to business success
9.15 Kaleidoscope (r)
9.45 The Financial World Tonight (s) 9.59 Weather
10.00 The World Tonight (s)
10.35 The Budget: A statement on behalf of the Labour party by John Smith, the shadow chancellor
10.45 A Book at Bedtime: Brother of the More Famous Jack, by Barbara Trapido (8 of 11)
11.00 Murder Most Foul: The New Year Nightmare. The last of six true murder cases from the past, by John Scotney (s)
11.30 Today in Parliament
12.00-12.30am News 12.20 Weather 12.33 Shipping

FREQUENCIES: Radio 1: 1053kHz/285m;1089kHz/275m;FM-97.6-99.8. Radio 2: 693kHz/433m;909kHz/330m;FM-88-90.2. Radio 3: 1215kHz/247m; FM-90-92.4. Radio 4: 198kHz/1515m;FM-92.4-94.6. Radio 5: 693kHz/433m; 909kHz/330m. LBC: 1152kHz/261m; FM 97.3. Capital: 1548kHz/194m; FM 95.8. GLR: 1458kHz/206m, FM 94.9. World Service: MW 648kHz/463m.

RADIO 1

FM Stereo and MW. 5.00am Jenny Costello 6.30 Simon Mayo 9.00 Simon Bates 12.30pm Newsbeat 12.45 Gary King 3.00 Dave Lee Travis in the Afternoon 5.30 News '91 6.00 Jakki Brambles 7.30 Mark Goodier's Evening Session 9.00 The Man Ezeke Sunshine Show 10.00 Nicky Campbell 12.00-2.00am Bob Harris

RADIO 2

FM Stereo and MW. 4.00am Alex Lester. The Early Show 6.00 Ken Bruce 7.30 Derek Jameson 9.30 Katie Boyle 11.00 Jimmy Young 1.05pm David Jacobs 2.00 Gloria Hunniford 4.00 Martin Kelner 6.05 John Dunn 7.00 The Pasadena Roof Orchestra (r) 7.30 Squeezing Round the World 8.00 Jim Lloyd with Folk on 2 9.00 Nigel Ogden: The Organist Entertains 9.30 Myself When Young (new series). Six programmes. Today, Claire Rayner meets Sir Yehudi Menuhin 10.00 Chris Stuart 12.05am Jazz Parade 12.35 Bill Rennells with Night Ride 3.00-4.00 A Little Night Music

RADIO 5

6.00am World Service: Newsdesk 6.30 Morning Edition, incl 6.30, 7.00, 7.30, 8.00, 8.30 News, Sport 9.00 Schools 10.25 1, 2, 3, 4, 5 for toddlers 10.40 The Family Business, incl 11.00 Sport 12.00 News, Sport 12.30pm Education Matters 1.00 Sport 1.05 As Radio 3 2.00 Sport 2.05 1, 2, 3, 4, 5 (broadcast at 10.25am) 2.30 World Service: Mandela 3.05 Outlook 3.30 Backing the Canvas 3.45 Network UK 4.05 Development '91 4.35 Five Aside 7.20 Zesty Stories: They Should Have Looked Under the Rhubarb. Jimmy Zest stories by Sam McBratney. Read by John Lynch 7.35 Bill's New Frock: A dramatisation of Anne Fine's bestseller. With Bill Oddie (r) 8.00 Champion Sport, with Jon Champion. News of tonight's quarter-final ties in the three European competitions and a round-up of the domestic scene 9.30 Earshot 11.00 Sport 11.05 World Service: The Human Chain 11.38 The World Today 11.53 Words of Faith 11.58-12.05am Sport

WORLD SERVICE

All times in GMT. 5.00am Morgenmagazin 5.35 News in German: Headlines in English and French 5.47 Press Review 5.52 Financial News 5.58 Weather and Travel News 6.00 Newsdesk 6.30 Londres Matin 7.00 News 7.09 24 Hours 7.30 Development '91 8.00 News 8.09 Words of Faith 8.15 Business Matters 9.00 News 9.09 Review of the British Press 9.15 Country Style 9.30 Financial News: Sports Roundup 9.45 Images of Britain 10.01 Omnibus 10.30 Jazz for the Asking 11.00 Newsdesk 11.30 Mid Magazine 12.00 News 12.15pm New Ideas 12.45 Sports Roundup 1.00 News, 24 Hours 2.00 News, Outlook 2.30 Off the Shelf: The Primrose Place 2.45 Business Matters 3.00 News 3.15 As We Forgive 3.30 Pigs Have Wings 4.00 News 4.09 News About Britain 4.15 BBC English 4.30 Heute Aktuell 5.00 News 5.09 Commentary 5.15 The World Today 5.30 Londres Soir 6.15 BBC English 6.30 Heute Aktuell 7.54 News in German 8.00 News 8.09 The World Today 8.25 Words of Faith 8.30 Assignment 9.01 Sports Roundup 9.15 On Stage 9.45 Recording of the Week 10.00 Newshour 11.00 News 11.09 Financial News 11.15 Cooking the Books 11.30 Multitrack 2 12.00 Newsdesk 12.30am Pigs Have Wings 1.00 News 1.05 Outlook 1.30 Waveguide 1.40 Book Choice 1.45 The Farming World 2.00 Newsdesk 2.30 Assignment 3.00 News 3.09 News About Britain 3.15 The World Today 3.30 Fred Sherrin's Counterpoint 4.00 Newsdesk 4.30 The World Today 4.45 News and Press Review in German

COMPILED BY PETER DEAR AND GILLIAN MAXEY
TV CHOICE PETER DAVALLE/RADIO CHOICE KENNETH GOSLING

Kurdish rebel threat to flood Baghdad by wrecking dams

By MICHAEL BINYON, DIPLOMATIC EDITOR

KURDISH rebels claimed yesterday that they had captured Kirkuk, the oil city in northern Iraq, as government forces shelled the outskirts with napalm and phosphorus bombs and continued the bloody repression of the uprising in the south.

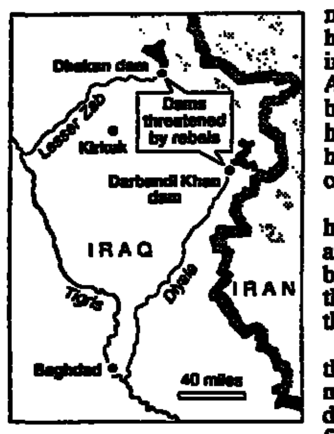
The Kurdish insurgents claimed control of a wide belt of Kurdistan, including Arbil and Sulaymaniya. They also gave a warning that if Iraqi forces used chemical weapons or fired Scud missiles at the Kurdish forces, they would retaliate by blowing up the Dhakan dam, on a tributary of the river Tigris, and the Darbandi Khan dam on the Diyala river.

They claimed this would unleash floodwaters that would devastate Baghdad, 145 miles south.

Syrian radio said a number of President Saddam Hussein's relatives were killed in Tikrit, his home town, while the Iraqi government claimed it was winning the battle in the southern cities of Najaf, Karbala, Hilla, Amara and in the Dhi Qar province.

Iraq yesterday announced a national referendum on a new constitution, promised by Saddam.

Saadi Mahdi Saleh, the Speaker of parliament, told a pro-government Kurdish newspaper that the referendum would take place soon, and said it would be accompanied by a thorough shake-up of the Iraqi government.



The government media claimed that Shia rebels were being driven from southern cities but "mobs of saboteurs" were causing widespread devastation. Newspapers appealed for support for Saddam and insurgents were accused of looting shops, destroying markets and defiling holy places.

Iran stepped up its demands for the overthrow of Saddam. Ayatollah Ali Khamenei, the spiritual leader, called for an Islamic government in Iraq and Iranian parliamentarians urged the Iraqi army to stop the killing and join the insurgents. Ali Akbar Velayati, the foreign minister, told a visiting Italian diplomat that international organisations should support the revolt. Tehran radio said between 12,000 and 16,000 people were reported killed on the road between Najaf and Karbala.

Iraqi refugees continued streaming into territory occupied by American forces in the south and said thousands of bodies were still lying in the streets of Basra, which has been shelled by government tanks and artillery for almost three weeks. Some said as many as 5,000 had been killed. Republican Guards were said to be conducting house-to-house searches, and resistance fighters were outnumbered. But the insurgents still controlled parts of the city.

The Kurdish front claimed in broadcasts from inside Iraq that rebels were driving Iraqi forces out of key installations in the north and said rioting had now spread to Mosul, Iraq's third largest city of one million people. Security forces had rounded up 20,000 males in Mosul, where Kurdish, Arab and Christian citizens had taken to the streets. The hostages were being used as human shields against demonstrators, the front said.

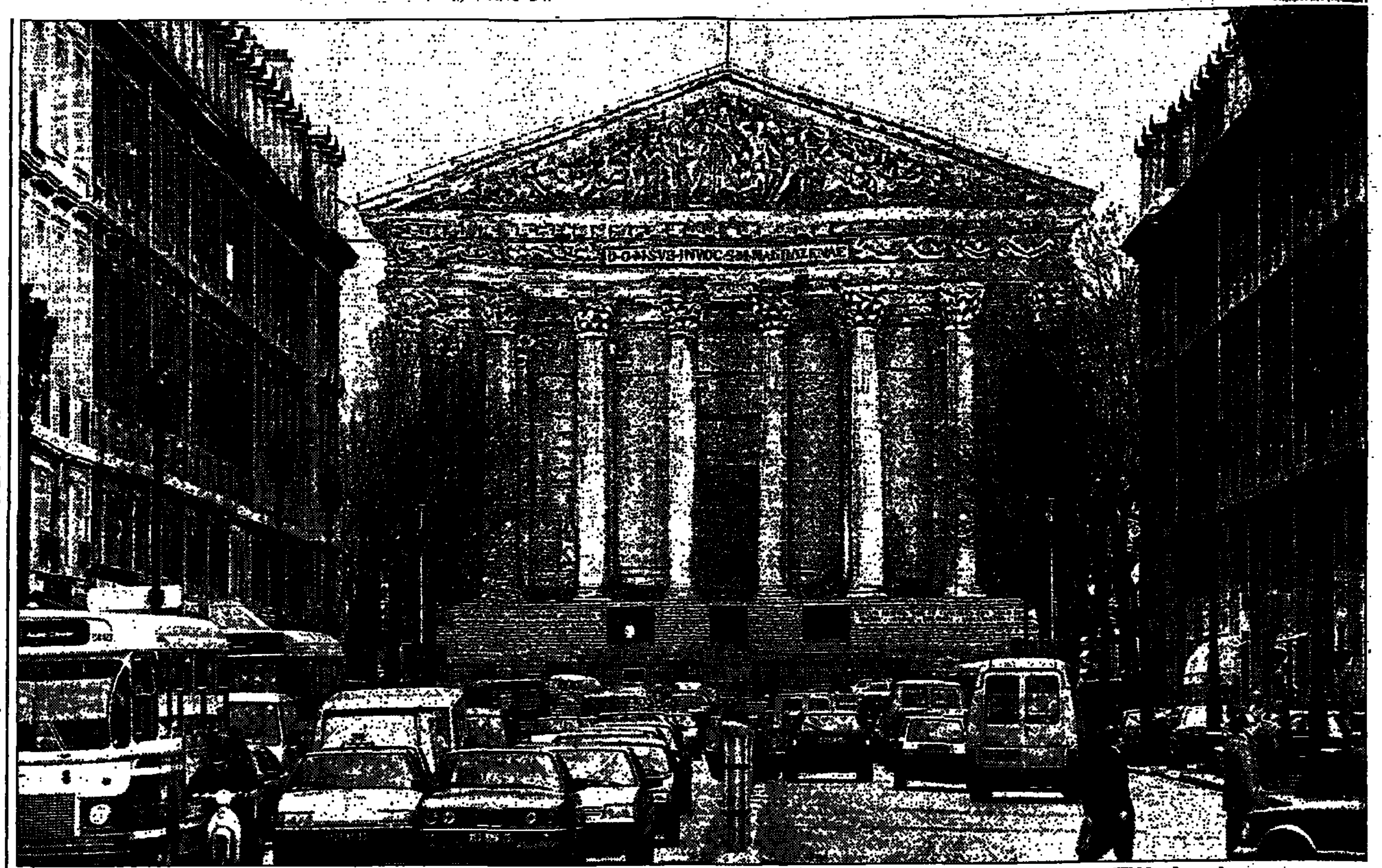
Saddam's enemies predict his downfall within a month, and leaders of Iraq's neighbours have told Washington that he could not survive to the end of the year.

Much depends on whether the Republican Guard remains loyal and the rate of defections. Hassan al-Naqib, a former Iraqi general who has joined the rebels, said tens of thousands of soldiers had defected. "Saddam's days are numbered. He will be removed very shortly," he said. Kurdish leaders said 100,000 troops had so far surrendered in Kurdistan alone.

In Kuwait, where more than 500 oil wells are still ablaze, officials say the country may now be able to resume oil exports by the end of the year.

Arafat dissension, page 8

ALISTAIR MILLER



Trompe l'oeil: all is not what it seems behind the Corinthian colonnade of Saint Marie Madeleine church, one of Paris's best known monuments. Hidden by an immense canvas façade, workmen renovate the 950 square yards of the Madeleine's roof, using 16 tons of copper in a seven-month restoration project that will cost £355,000

Voting gives Kremlin cold comfort

From MARY DEJEVSKY IN MOSCOW

SOVIET officials yesterday put a brave face on the results of Sunday's referendum on the future of the Soviet Union, emphasising that a majority had voted for a "renewed federation" despite what they called "complexities" in a number of areas.

According to preliminary figures presented to the Soviet parliament, based on returns from more than one-third of constituencies, the turnout was more than 80 per cent, with 77.3 per cent voting to retain the union. The basis on which the percentages were calculated was not disclosed, but early returns came mainly from the Central Asian republics, which registered turnouts of more than 80 per cent and majorities for the union of 90 per cent and more.

Unofficial figures for the Russian Federation and the Ukraine suggest a different picture, with Moscow registering a turnout of only 67 per cent and only 50 per cent of votes for the preservation of the union. In Sverdlovsk, home city of the Russian leader, Boris Yeltsin, only 34 per cent voted to retain the union.

Grigori Revenko, an adviser to President Gorbachev and one of the architects of the "renewed federation" proposed in the referendum question, yesterday expressed satisfaction with the high turnout and the initial results but gave a warning against interpreting the figures in a personalised or divisive way. "This was not a vote for one or other leader," he said, "but against disintegration."

Emphasising the preliminary nature of the available results, he suggested that approximately two-thirds of registered voters had said "yes" to the union. He said that overall figures were likely to show a total of 130 million out of 170 million registered voters in favour of the union.

He acknowledged that legal sanctions existed for punishing those republics and areas which had not taken part, but the state had no intention of applying them. Reported violations of procedure, including multiple voting, and the repeats of President Gorbachev's television appeal on the eve of poll would, he said, be referred to the courts or the Constitutional Compliance Committee.

Provisional turnout figures for all the republics had earlier been announced to the Soviet parliament by the chairman of the Central Referendum Commission, Vladimir Orlov. He gave turnouts varying from 74 per cent in the Russian Federation to 97.7 per cent in the Central Asian republic of Turkmenistan.

President Gorbachev, who has staked his future on the preservation of the union, and his main opponent, the president of the Russian Federation, Boris Yeltsin, who obtained a convincing vote in favour of a directly elected presidency in the republic, continued to hold their peace yesterday.

Despite the overall majority for the union nationwide, Mr Yeltsin's success in the Russian Federation bodes ill for any improvement in relations between the centre and Russia.

Ukraine triumph, page 6

Prince Charles urges action on hunger

By ROBIN YOUNG

HUMAN and environmental tragedies would continue unless action was taken to tackle poverty, hunger and homelessness, the Prince of Wales said yesterday.

In a speech to an international conference on the environment organised by the *Observer* newspaper in London, the Prince accepted that he might be regarded as an alarmist and pessimistic crank, but added: "Right now, up to 15 million people are at risk in the dry lands of Africa. They suffer from an apparently unbreakable cycle of environmental degradation and drought, leading to poverty and hunger and yet more environmental stress. Elsewhere, millions more are already suffering from pollution and shortage of water." The possibility of serious changes in climate made future prospects worse, he said.

Environment meeting, page 2

Ministers move to damp talk of June election

Continued from page 1

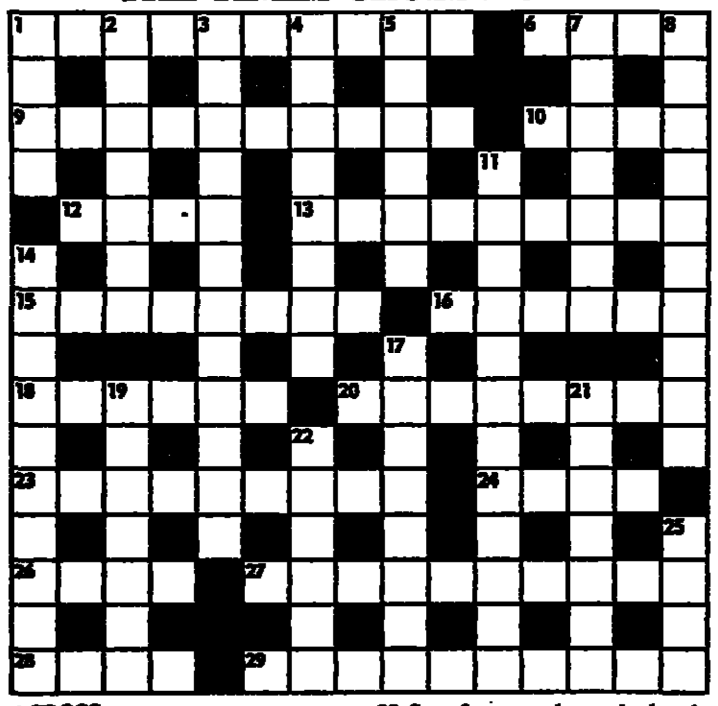
which will have the biggest effect on the timing of the election.

Tory MPs praised the ingenuity of Mr Lamont's first budget, which has established his authority as an ingenious chancellor in a year with little apparent room for manoeuvre. They also saw it as a significant departure from the Thatcher years. For years under Mrs Thatcher chancellors pegged child benefit: Mr Lamont has increased it. She regularly prevented her chancellors from cutting back on mortgage tax relief: Mr Lamont has begun the process by keeping the ceiling at £30,000 and restricting the relief to the standard 25 per cent rate, while altering allowances to cushion the blow for high earners.

Other measures which Tory MPs believe would never have been allowed through in the Thatcher years include the chancellor's decision to apply national insurance contributions to company cars, which constitute a quarter of the cars in the country, and to raise their taxation. Against the tenor of the Thatcher years too is the freezing of the married couples' tax allowance to pay for the increase in child benefit.

The willingness of prime minister and chancellor to see the government's spending slip back into the red was also a clear sign that the economy was under altogether new management.

THE TIMES CROSSWORD PUZZLE NO 18,558



ACROSS

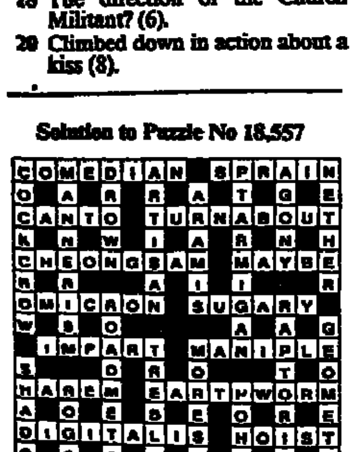
1 Throw one's weight about on the sports field (3,3,4).
6 The Continent is making a comeback among the motoring fraternity (4).
9 Perhaps he'll have to revisit CID? (10).
10 Soundly thrash, using a crop (4).
12 Pit dug out of the soil (4).
13 Rows in the gallery? Goodness! (9).
15 Excess parking met by the foreign girl (8).
16 Worshipper in trouble about religious leader (6).
18 The direction of the Church Militant? (6).
20 Climbed down in action about a kiss (8).
23 Sun, for example on the beach, can be abrasive (9).
24 Runs become scarce (4).
26 A boundary return from the line (4).
27 Long to annoy a spruce dresser (4-6).
28 I think this is the reason why I am in Rome (4).
29 Windsor, perhaps, is his home (10).

DOWN

1 Carve two ducks, say (4).
2 Like the sense of touch needed for making lattice work (7).
3 Treatment they criticise inside leading hotel (12).
4 Grave distress, say, about cruelty (8).
5 Not in an illegal position, over a boundary (6).
7 Animal in novel with black ear (3-4).
8 Car shoots up a Continental road (10).
11 Rustic abode to the rear (12).
14 Where or when "Pinafore" is put on? (5,5).
17 Be told to obey order (4,4).
19 Taking one's breath away, like a spiral staircase (7).
21 Slavery deforms new order (7).
22 Love in opera can make a choice (6).
25 Empty-sounding character (4).

Concise crossword, page 23

Solution to Puzzle No 18,557



This puzzle was solved within 30 minutes by 20 per cent of the competitors at the 1991 Leeds regional final of The Times Collins Dictionaries Crossword Championship.

WORD-WATCHING

A daily safari through the language jungle. Which of the possible definitions is correct?

By Philip Howard

GLODE
a. A glade or clearing
b. A copper alloy
c. To cheat by silence

ACTON
a. A political satire
b. A stuffed shirt
c. A stage direction

TRACHELATE
a. Having pincers
b. An alderman's chain
c. Having a neck

PETTICHAPS
a. A warbler
b. Pork spare ribs
c. A man's petticoat

Answers on page 26, column 1

AA ROADWATCH

For the latest AA traffic and roadworks information, 24 hours a day, dial 0836 401 followed by the appropriate code.

London & SE traffic, roadworks

C. London (within N & S Circs.)	731
M-ways/roads M4-M1	732
M-ways/roads M1-Dartford T.	733
M-ways/roads Dartford T-M23	734
M-ways/roads M23-M4	735
M25 London Orbital only	736

National traffic and roadworks

National motorways	737
West Country	738
Wales	739
Midlands	740
East Anglia	741
North-west England	742
North-east England	743
Scotland	744
Northern Ireland	745

AA Roadwatch is charged at 33p per minute (cheap rate) and 44p per minute at all other times.

WEATHER

Wales, southern England, the Midlands and the southern parts of northern England will be cloudy with outbreaks of rain, some heavy, becoming more patchy from the west. Northern Ireland, parts of southern Scotland and the rest of northern England mostly cloudy with patchy rain or drizzle. Central and northern Scotland cloudy with outbreaks of rain but becoming brighter later. Outlook: becoming colder

ABROAD

MIDDAY: t=thunder; d=drizzle; fg=fog; s=sun; sl=sleet; sn=snow; f=fair; c=cloud; r=rain

	C	F			C	F	
Ajaccio	16	61	s	Majorca	16	61	s
Akrotiri	20	68	s	Malaga	19	66	s
Alex'dria	20	68	f	Malta	15	59	t
Algiers	18	64	f	Melb'rne	20	68	c
Amst'dm	11	52	c	Mexico C*	27	79	s
Athens	17	63	s	Miami*	29	84	f
Bahrain	22	72	s	Milan	15	59	s
Barbads*	29	84	s	Montreal*	4	39	c
Barcelna	15	59	f	Moscow	1	34	c
Belgrade	12	54	f	Munich	13	55	f
Berlin	12	54	f	Nairobi	29	84	s
Bermuda*	18	64	f	Naples	18	64	s
Biarritz	21	70	f	N York*	9	48	r
Borde'x	17	63	c	Nice	18	64	s
Brussels	13	55	c	Oslo	5	41	r
Budapst	9	48	c	Paris	13	55	r
B Aires*	27	81	f	Peking	11	52	c
Cairo	23	73	s	Perth	27	81	s
Cape Tn	24	75	f	Prague	14	57	s
C'blanca	18	64	s	Reykjavik	1	34	f
Chicago*	7	45	c	Rhodes	18	64	s
Ch'church	18	64	c	Rio de J	29	84	s
Cologne	9	48	r	Riyadh	26	79	s
C'phagn	5	41	r	Rome	20	68	s
Corfu	16	61	f	Salzburg	14	57	s
Dublin	14	57	c	S F'risco*	12	54	s
Dubrovnik	18	64	s	Santiago*	17	63	c
Faro	18	64	s	S Paulo*	27	81	c
Florence	20	68	s	Seoul	16	61	s
Frankfurt	8	46	r	Sing'por	26	79	c
Funchal	21	70	s	St'kholm	5	41	c
Geneva	10	50	f	Strasb'rg	10	50	c
Gibraltar	20	68	s	Sydney	28	82	f
Helsinki	2	36	fg	Tangier	18	64	s
Hong K	21	70	c	Tel Aviv	20	68	c
Innsbrck	14	57	f	Tenerife	21	70	s
Istanbul	7	45	c	Tokyo	16	61	s
Jeddah	36	97	s	Toronto*	5	41	r
Jo'burg*	17	63	c	Tunis	17	63	f
L Palmas	21	70	s	Valencia	23	73	s
Le Tquet	10	50	c	Vanc'ver*	8	46	s
Lisbon	16	61	f	Venice	16	61	s
Locarno	14	57	c	Vienna	11	52	c
L Angels*	14	57	c	Warsaw	6	43	c
Luxembg	8	46	r	Wash'ton*	11	52	c
Luxor	32	90	s	Wel'nton	18	64	s
Madrid	15	59	s	Zurich	9	48	f

* denotes figures are latest available

AROUND BRITAIN

	Sun hrs	Rain in	Max C	Max F	
Aberdeen	1.4	.03	9	48	cloudy
Anglesey	-	.19	10	50	rain
Aviemore	0.1	.02	7	45	rain
Belfast	-	.67	11	52	rain
Blackpool	0.3	.13	10	50	rain
Bognor Regis	3.6	.02	10	50	rain
Bournemouth	0.2	.13	10	50	rain
Brighton	2.5	.02	9	48	rain
Bristol	0.2	.18	11	52	rain
Buxton	1.4	.24	9	48	rain
Cardiff	-	.62	10	50	rain
Clacton	5.5	.05	10	50	sunny
Cromer	4.3	-	14	57	sunny
Douglas	-	.99	8	46	rain
Edinburgh	0.7	.11	10	50	rain
Eskdalemuir	0.1	.64	7	45	rain
Glasgow	0.1	.39	9	48	rain
Guernsey	-	.13	11	52	rain
Kinloss	1.4	.10	10	50	rain
Leeds	2.3	.04	12	54	rain
Lerwick	3.1	.10	8	46	rain
London	5.8	-	13	55	sun am
Lowestoft	4.7	-	14	57	sunny
Manchester	0.2	.27	10	50	rain
Minehead	-	.08	13	55	rain
Morecambe	-	.24	10	50	rain
Nottingham	3.2	.13	11	52	rain
Penzance	0.4	.67	12	54	rain
Poole	-	.17	10	50	rain
Scarborough	3.9	.01	11	52	sunny
Scilly Isles	-	.50	11	52	rain
Shanklin	2.0	.12	10	50	rain
Southend	6.1	-	13	55	sunny
Southsea	1.4	.07	10	50	rain
St. Ives	-	.58	12	54	rain
Stornoway	-	.20	8	46	rain
Swanage	-	.13	10	50	rain
Teignmouth	-	.21	11	52	rain
Tenby	-	.70	10	50	rain
Tiree	-	.42	8	46	rain
Torquay	0.1	.36	11	52	rain
Weymouth	-	.31	10	50	rain
Wick	2.0	.12	7	45	rain
Worthing	4.3	.04	10	50	rain

These are Monday's figures

WEATHERCALL

For the latest region by region forecast, 24 hours a day, dial 0898 500 followed by the appropriate code.

Greater London	701
Kent,Surrey,Sussex	702
Dorset,Hants & IOW	703
Devon & Cornwall	704
Wilts,Gloucs,Avon,Soms	705
Berks,Bucks,Oxon	706
Beds,Herts & Essex	707
Norfolk,Suffolk,Cambs	708
West Mid & Sth Glam & Gwent	709
Shrops,Herefds & Worcs	710
Central Midlands	711
East Midlands	712
Lincs & Humberside	713
Dyfed & Powys	714
Gwynedd & Clwyd	715
N W England	716
W & S Yorks & Dales	717
N E England	718
Cumbria & Lake District	719
S W Scotland	720
W Central Scotland	721
Edin S Fife/Lothian & Borders	722
E Central Scotland	723
Grampian & E Highlands	724
N W Scotland	725
Caithness,Orkney & Shetland	726
N Ireland	727

Weathercall is charged at 33p per minute (cheap rate) and 44p per minute at all other times.

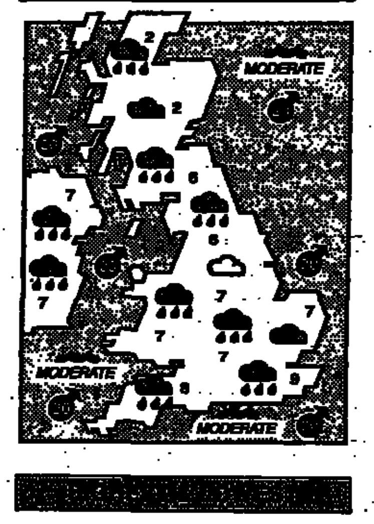
TOURIST RATES

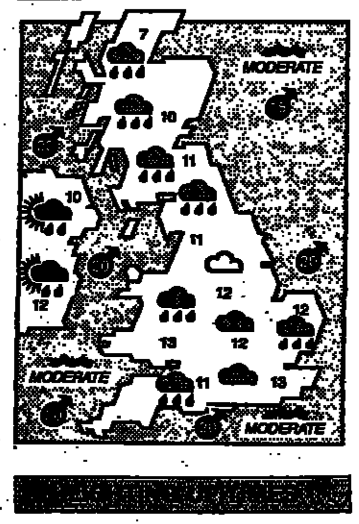
	Bank Buys	Bank Sells
Australia $	2.40	2.25
Austria Sch	21.70	20.30
Belgium Fr	62.90	58.90
Canada $	2.16	2.01
Denmark Kr	11.71	11.01
Finland Mkk	7.36	4.90
France Fr	10.35	9.70
Germany Dm	3.055	2.855
Greece Dr	324	304
Hong Kong $	14.37	13.37
Ireland Pt	1.16	1.08
Italy Lira	2280	2140
Japan Yen	259.50	242.50
Netherlands Gld	3.44	3.23
Norway Kr	11.90	11.20
Portugal Esc	265.25	249.25
South Africa Rd	5.50	4.90
Spain Pta	189	178
Sweden Kr	11.16	10.46
Switzerland Fr	2.63	2.46
Turkey Lira	6800	5800
USA $	1.86	1.74
Yugoslavia Dnr	36	26

Rates for small denomination bank only as supplied by Barclays Bank PLC. Different rates apply to travellers' cheques.

LONDON

Yesterday: Temp: max 6am to 6pm, 11C (52F); min 6pm to 6am, 9C (48F). Rain: 24hr to 6pm, 1.13 in. Sun: 24hr to 6pm, 0.2 hr.





HIGHEST & LOWEST

Monday: Highest day temp: Margate, Kent, 14C (57F); lowest day max: Eskdalemuir, Dumfries and Galloway, 7C (45F); highest rainfall: Douglas, Isle of Man, 0.99 in; highest sunshine: Folkestone, Kent, 8.7 hr.

LIGHTING-UP TIME

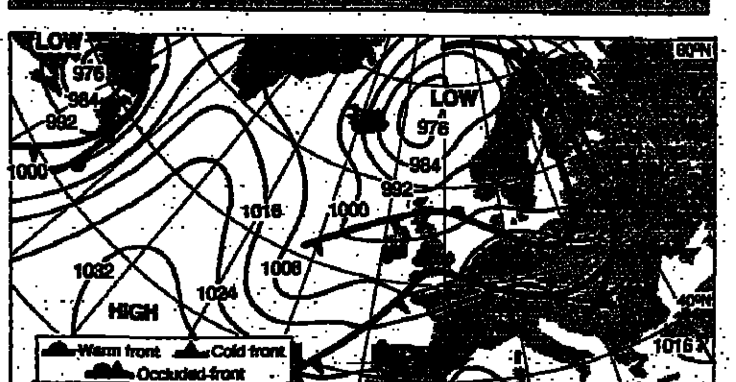
London 6.13 pm to 6.02 am
Bristol 6.23 pm to 6.12 am
Edinburgh 6.26 pm to 6.14 am
Manchester 6.21 pm to 6.11 am
Penzance 6.34 pm to 6.24 am

Sun rises: 6.05 am. Sun sets: 6.13 pm
Moon rises: 7.15 am. Moon sets: 12.15 am
First quarter March 23

HIGH TIDES

TODAY	AM	HT	PM	HT	TODAY	AM	HT	PM	HT
London Bridge	4.00	7.2	4.20	7.0	Liverpool	1.39	9.3	1.40	9.4
Aberdeen	3.35	4.1	3.48	4.1	Lowestoft	[illegible]	[illegible]	12.00	2.2
Avonmouth	9.39	13.1	9.53	12.8	Margate	1.57	4.9	2.33	4.8
Belfast	1.08	3.3	1.28	3.4	Milford Haven	8.36	7.0	8.53	6.7
Cardiff	9.24	12.1	9.38	11.8	Newquay	7.28	7.0	7.45	6.8
Devonport	8.17	5.2	8.32	6.5	Oban	7.59	3.9	8.04	3.8
Dover	12.57	6.7	1.19	6.5	Penzance	7.21	5.3	7.37	5.2
Falmouth	7.47	5.0	8.02	4.9	Portland	9.23	2.0	9.37	1.9
Glasgow	3.08	4.6	3.26	4.6	Portsmouth	1.29	4.6	1.47	4.5
Harwich	2.01	4.0	2.27	3.8	Shoreham	1.19	6.3	1.41	6.2
Holyhead	12.21	5.5	12.42	5.6	Southampton	12.57	4.6	1.16	4.4
Hull	8.37	7.3	8.54	7.5	Swansea	8.39	9.5	8.58	9.3
Ilfracombe	8.20	9.1	8.36	8.9	Tees	6.00	5.2	6.14	5.3
King's Lynn	8.52	6.4	9.02	6.6	W'ton-on-Nze	1.54	4.2	2.19	4.1
Leith	4.58	5.3	5.15	5.5					

Tide in metres: 1m=3.2808ft.



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BUSINESS

Business Editor
John Bell

WEDNESDAY MARCH 20 1991

Allied-Lyons chief resigns after £150m blow

By MARTIN WALLER

ALLIED-LYONS, the international drinks group, chose Budget day morning to disclose a £150 million foreign exchange loss and the imminent departure of Clifford Hatch, the finance director.

The announcement caused a 40p dive in the share price, although it recovered to 520p, down 29p.

Allied-Lyons said it had identified "recent abnormal foreign exchange exposures giving rise to very substantial losses." An exceptional pre-tax loss of about £150 million would have to be taken into the accounts for the year to March 2. KPMG Peat Marwick McLintock, the auditor, was investigating the affair "as a matter of urgency". It has also cost Mr Hatch, who joined with the group's 1986 purchase of a controlling stake in Hiram Walker, the Canadian drinks group.

Mr Hatch has "signified his intention to resign when an orderly handover of his responsibilities has been arranged". His resignation would be accepted "with the greatest regret".

A spokesman for Allied-Lyons was uncharacteristically tight-lipped. The timing of the announcement was "pure coincidence," he said. "We're sticking to the release and we're not adding to that, but the Peat enquiry is expected to take three to four weeks. Once they have made their findings known, we will be in a position to say more."

While hardly matching Allied-Lyons on the Richter scale, Storehouse, the retail group which has become accustomed to announcing bad news to its shareholders, also chose yesterday to reveal its latest loss-inflicting disposal. The group is selling Mothercare Stores, of America, for $11 million. The sale to Bain Capital, the American investment arm of Bain & Co management consultants, will result in a £7.5 million extraordinary loss to Storehouse.

Storehouse will receive $1.5 million in cash and the rest in loan notes repayable over six years. Mothercare Stores had sales of $71 million in the year to end-March and made a small trading profit. The group had net assets of $20 million. Storehouse is retaining the right to the Mothercare name in America, but is licensing it to the new owner for seven years, with the option of ending the licence after five years. Bain Capital is expected to keep the 205 American Mothercare stores trading.

Michael Julien, the chief executive of Storehouse, said: "The decision to sell Mothercare Stores Inc reflects the group's need to concentrate management attention on our major operations."

Paul Morris, an analyst at Goldman Sachs, has cut this year's profit forecast for Storehouse from £27.5 million to £11.5 million and next year's by £12 million to £30 million. The shares fell 4p to 109p.

Just before the Chancellor started his speech, Manchester Ship Canal said an offer from Greathey Investments, its 50.4 per cent holder, for the remaining minority was not to go ahead because no terms had been agreed. The shares fell from £19 to £18.

While the Chancellor was speaking, Vard, the Norwegian shipping group, restated its profits for the year to end-December. Profits at Kloster Cruise, the luxury cruise line, fall from NKr223 million (£19.6 million) to NKr198 million. Group pre-tax profits thus fell to NKr179 million (NKr205 million).

Comment, page 31

Tate in bid for sugar group

TATE & Lyle, which saw British Sugar snatched from under its nose at the turn of the year, has launched an Aus$290 million (£124 million) hostile bid for Bundaberg Sugar, Australia's second largest sugar group.

Bundaberg is best known in Australia for its Bundaberg rum, which it co-produces with Guinness through a joint venture.

The bid, which values each Bundaberg share at Aus$3.70 compared with Tuesday's Australian closing price of $2.82, was immediately rejected by Bundaberg, whose chairman, Roy Deicke, described it as opportunistic and advised shareholders not to sell.

T&L's bid, through Tate & Lyle Australia, its recently incorporated local subsidiary, is subject to Foreign Investment Review Board approval and a 90 per cent minimum acceptance by shareholders.

Neil Shaw, the T&L chairman and chief executive, also announced plans to raise £65 million through a deeply discounted eurobond issue, with equity warrants, to help finance the bid. The issue, with warrants due in March 2001, is priced at 73 per cent and will pay a semi-annual coupon indicated at between 5¾ and 6 per cent.

Bundaberg recently gave warning that its 1991 profits would be down significantly.

Paterson slips

Paterson Zochonis is raising its interim dividend from 2.05p to 2.15p after interim pre-tax profits of £11.2 million (£11.6 million).

Tempus, page 31

BSG tumbles

BSG International, which had warned of a profits shortfall for 1990, saw pre-tax profits slump from £23.4 million to £13.1 million. A final payment of 2.5p makes a maintained total of 3.2p. Tempus, page 31

Wolseley falls

Wolseley reported a 30 per cent fall in pre-tax profits to £38 million for the six months ended January 31. The interim dividend is held at 3.1p.

Tempus, page 31

US dollar
1.7685 (–0.0215)

German mark
2.9238 (–0.0002)

Exchange index
92.0 (–0.2)

FT 30 Share
1947.1 (–32.1)

FT-SE 100
2459.0 (–31.6)

New York Dow Jones
2873.02 (–56.93)*

Tokyo Nikkei Avge
27006.66 (–140.25)

RISES:	
General Accident	578½p (+10p)
Thomson Corp	815p (+10p)
Alexon	552½p (+11p)
Empire Stores	130½p (+9p)
Harvey & Thompson	358½p (+10p)
News Corp	359p (+8p)
FALLS:	
Commercial Union	533½p (–11p)
Carlton Comm	474½p (–10p)
SG Warburg	470p (–10p)
Lloyds	349p (–10p)
Barclays	454½p (–11p)
Body Shop	266p (–11p)
Amersham	353½p (–12p)
Takare	148½p (–20p)
Allied Lyons	516½p (–32p)
Grand Met	756p (–11p)
Sun Alliance	384p (–10p)
Refuge	682½p (–14p)
Prudential	244½p (–10½p)
Legal & General	452½p (–10p)

Closing Prices...Page 33

London: Bank Base: 13%
3-month Interbank 12⁹⁄₁₆-12⁹⁄₁₆%
3-month eligible bills: 11¹¹⁄₁₆-11⅝%
US: Prime Rate 9%
Federal Funds 6¹⁄₁₆%*
3-month Treasury Bills 5.89-5.87%*
30-year bonds 94-94¹⁄₁₆*

London:	New York:
£: $1.7685	£: $1.7655*
£: DM2.9238	$: DM1.6530*
£: SwFr2.5236	$: SwFr1.4279*
£: FFr9.9855	$: FFr5.6343*
£: Yen244.14	$: Yen138.20*
£: Index:92.0	$: Index:64.8
ECU £0.701329	SDR £0.759858
£: ECU1.425864	£: SDR1.316381

London Fixing:
AM $362.00 pm-$364.50
close $361.80-362.30 (£204.00-204.50)
New York:
Comex $365.55-366.05*

Brent (Apr) ...... $19.05 bbl ($18.35)

RPI: 130.2 January (1985=100)
* Denotes latest trading price

★★★★★★

City fears shares will fall after flat Budget

By MICHAEL CLARK AND MARTIN WALLER

THE City gave a cool reception to the Budget, with dealers forecasting a drop in both equity market and bond values when trading resumes this morning.

Share prices were already nursing some hefty falls when Norman Lamont, the Chancellor, rose to speak, with the City worried by events on Wall Street where the Dow Jones industrial average opened sharply lower after disappointing figures and a profits warning from IBM. At midday, the Dow was 58.17 points down at 2,871.78.

Investor confidence was also hit by remarks from Karl Otto Pöhl, the Bundesbank president, who described German monetary union as a disaster.

The soaring dollar drew some foreign exchange market attention away from sterling and the Budget speech but analysts agreed that the Chancellor's measures should be supportive for the pound.

Steven King, international economist at James Capel, said: "Relatively speaking it was a fairly tight Budget and as such should be supportive for sterling."

The pound ended at DM2.9243, up from its previous close of DM2.9025 and and DM2.9263 just ahead of the Budget speech.

Against the dollar, which was under attack from central bank intervention around the world later in the afternoon, the pound was down to $1.7692 from the previous close of $1.7785.

The FT-SE 100 index ended the session 31.6 down at 2,459.0, having been more than 40 points off at one stage, as 619 million shares changed hands. Dealers were last night forecasting that the slide would continue after a fall of more than 20 points in the FT-SE 100 futures index.

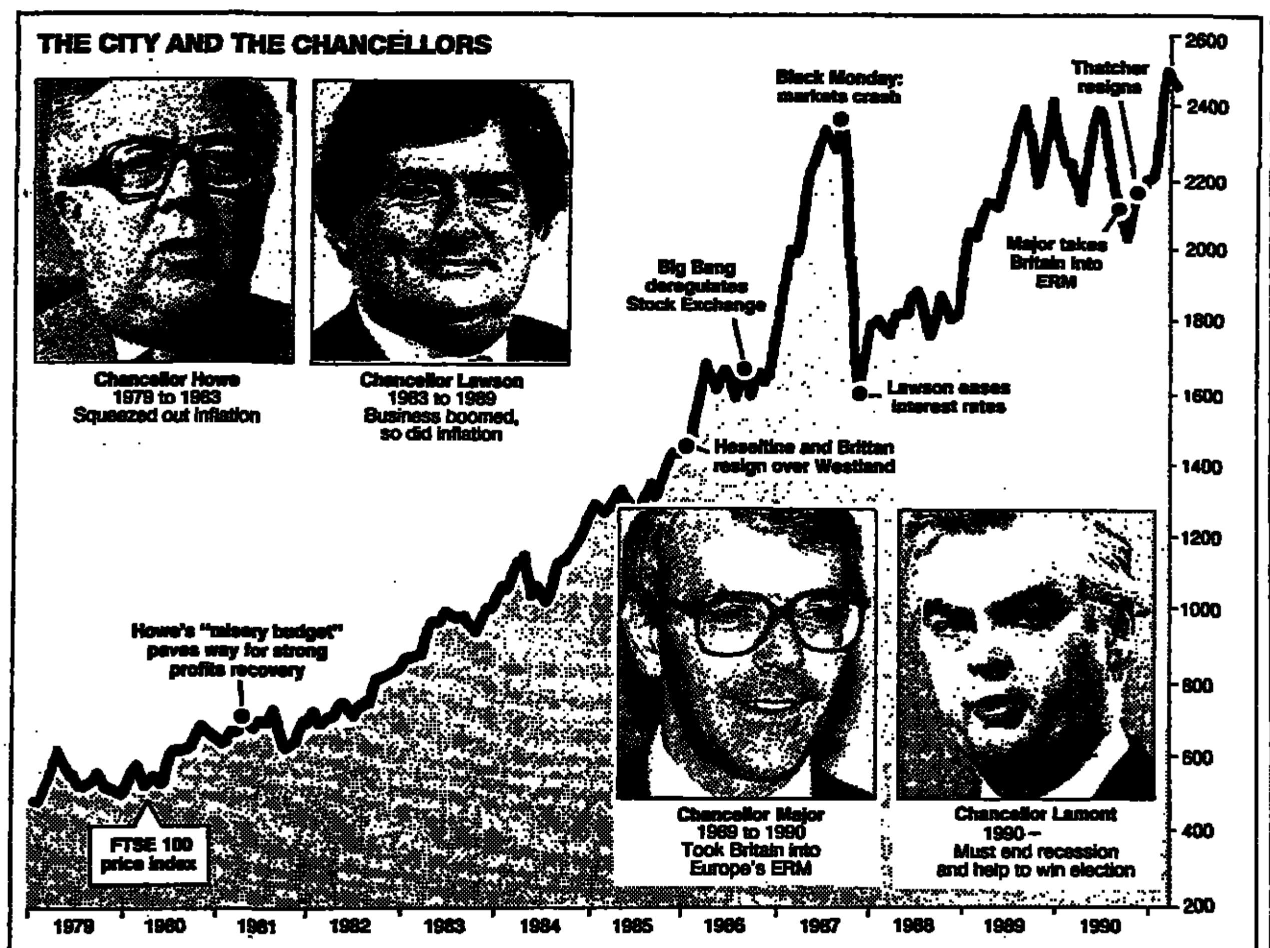
Barrie Bennett, deputy managing director of Kleinwort Benson Securities, said: "It was a neutral, sensible Budget. Everyone was expecting fireworks and it never happened. People will be more concerned about Wall Street in the morning."

Brian Tarrel, head of market-making at Barclays de Zoete Wedd, commented: "There was not much to get excited about and the disappointment has already started to show through in the futures market. We might have a tricky start tomorrow if there are sharp falls overnight on Wall Street and Tokyo.

"We may go lower for the next few days until we find a level people think is attractive – say around the 2,400 level."

Dealers at UBS Phillips & Drew, the broker, were taking a more bearish stance, forecasting a drop of about 50 points when trading gets under way in London.

THE CITY AND THE CHANCELLORS



Chancellor Howe
1979 to 1983
Squeezed out inflation

Chancellor Lawson
1983 to 1989
Business boomed, so did inflation

Chancellor Major
1989 to 1990
Took Britain into Europe's ERM

Chancellor Lamont
1990 –
Must end recession and help to win election

Equity strategists reacted cautiously to what was seen in the City as a Budget which pointed to a 1992 election being more likely than one this year.

Tim Turnbull, an assistant director at Hoare Govett, said there were positive pointers in the Chancellor's statement. A 2 per cent fall in output implied the recession was far deeper than had been thought.

"That's a very gloomy view. However, he's expecting a very strong rebound in the second half of 1992. How is he going to get that without heavy cuts in interest rates?"

He felt Mr Lamont's forecasts on inflation were far more optimistic than those of many in the City and implied further cuts in mortgage rates, themselves requiring sharp falls in interest rates.

Alasdair Menzies, director of UK equities at Schroder Securities, said: "It's obviously a very, very cautious Budget. Leisure and stores are not going to be very good tomorrow.

The 20 per cent increase in tax on company cars was also higher than had been forecast and would serve to depress car dealers and automotive components manufacturers further, he said.

Michael Bedford, a director of sales at Kleinwort Benson, said indications were that the market's reaction would be a negative one when trading commenced this morning, particularly because of the increases in value added tax and excise duty.

He said: "The man in the street will regard all the VAT increases as inflationary and won't count in the benefits of the poll tax changes. This seems to me to be a Budget that is designed to present a platform for a 1992 election rather than a 1991 one. If you were trying to window-dress the economy for 1991, I don't think you would have those increases in indirect duty."

Forex dealing was hectic throughout. "I have never known three successive days of such volatility," said Allan Chase, head of strategic dealing at National Westminster Bank's capital market division.

Nick Douch, of Barclays, said the market would take time to digest the Budget. "It is difficult to determine the political dimension from it – when is the election going to be and who is going to win it?" He said the market was now waiting for a cut in interest rates after Friday's publication of the retail price index.

Roger Bootle, Midland Montagu's chief economist said the important issues were still the timing of interest rate falls and the likelihood of a Conservative victory at the next election. "If the stock market decides the news is not good it has quite a way to fall."

Gilts fell through the budget speech after the worse than expected public sector borrowing requirement forecast of £8 billion for 1991/2. But long-dated issues recovered in the evening to close about £¼ lower.

Stock market, page 32

Deal for Lewis's expected

By GILLIAN BOWDITCH

OWEN Owen, the department store group, and a management buy-in team headed by Paul Taylor, the ex-managing director of Harrods, are the two favourites to buy The Lewis's Group, the country's leading regional department store group, which went into receivership at the end of January. A deal is expected within the next few days.

Mr Taylor, who is backed by Shire Trust and a number of other venture capital funds, is keen to buy ten of the eleven Lewis's stores and will take on the head office and warehouse. Owen Owen is believed to want only the four stores in Liverpool, Manchester, Leeds and Oxford.

The freeholds of these stores are owned by Capital & Counties, the property group. Owen Owen has already struck a deal with Capco on future rents, while Mr Taylor's team has spoken to Capco but has not agreed a deal. The Taylor team is worried that Allan Griffiths, the receiver, of Grant Thornton, may be forced to accept the Owen Owen offer because it has the blessing of Capco. They believe their offer would preserve more jobs than Owen Owen's.

Ray Moorman, managing director of Capco, said the sale of the stores was up to the receiver. He confirmed that his group had struck a deal with Owen Owen. Mr Taylor's team entered the bidding much later than Owen Owen.

Capco and Mr Griffiths are in regular contact over the sale. A quarter's rent is due on March 25 and it is likely that a deal will be struck before then.

Lewis's collapsed with debts of more than £50 million when the National Westminster withdrew its banking facilities.

Manpower 'may not pay out for years'

By ANGELA MACKAY

MANPOWER, the employment agency that has shed its old Blue Arrow name and is about to change its nationality, gave a warning that pre-tax profits in the first half of 1991 are expected to deteriorate further from the 13 per cent fall last year.

In the 14 months to December 31, profits fell from £64.2 million to £55.7 million after interest and before tax, while turnover climbed 22 per cent to just over £2 billion for the first time.

Mitchell Fromstein, the chairman, has again decided not to pay a dividend, an omission attributable to a deficit in distributable reserves caused by large provisions when the company was still trading under the troubled Blue Arrow banner.

John Chait, executive vice-president, said from the group's new headquarters in Milwaukee that it would probably be a few years before Manpower could recommence dividend payments.

The company transferred its head office a year ago from London to America because that is its biggest market and also to escape the aftermath of the Blue Arrow affair. Some of Blue Arrow's advisers on the ill-fated 1987 rights issue to fund the Manpower takeover are on trial on conspiracy charges related to the issue.

In his statement, Mr Fromstein said he did not expect a turnaround in Manpower's main markets in the first half of the current year, indeed "there may be an additional erosion in such markets before the present trends are reversed," he said.

The group took an extraordinary charge of £21.22 million to cover closure costs, a reduction in the value of property for sale, the migration to America and the costs associated with the cancelled sale of five British businesses.

In addition, a £1.5 million provision was made against Blue Arrow's disastrous America's Cup challenge, a pet project of Tony Berry, the former chairman. Last year, the company put aside £6.7 million and Mr Chait said he expected the company had made its last provision for that investment.

An exceptional item of £4.67 million was charged for rationalisation and restructuring charges for non-Manpower businesses in Britain.

Two months ago, Manpower announced a planned migration across the Atlantic via an exchange offer for its outstanding shares by Manpower Inc, a new American company. The exchange offer is expected to start later this week when a prospectus is circulated after American Securities & Exchange Commission approval.

Comment, page 31

Argentina steps towards stability

By MARTIN BARROW

CARLOS Saul Menem performed a remarkable about-turn when he became president of Argentina. After winning the election for the Peronists on a populist, union-endorsed ticket, Menem began the wholesale restructuring of his country's economy.

He hacked into a bloated bureaucracy, liberalising the archaic financial system and scrapping the protectionist tariffs that had nurtured a cosy and inefficient domestic industry.

Even worse for his political paymasters, Menem threw open the doors to foreign investment and announced plans to privatise state-run services and industry, putting thousands of jobs at risk. The International Monetary Fund gave its wholehearted approved his efforts, which fuelled his opponents' fury.

Simon Doggart, author of a new study into prospects for foreign investment in Argentina, said Menem's administration "is keenly aware that to achieve sustained growth, new inflows of international capital are sorely needed and, for the first time in half a century, the economy is really opening up to foreign investors".

The move was a tremendous personal gamble in a country where the ballot box has been plundered so often by a restless military, unhappy to be confined to barracks. It was also probably Argentina's final chance to rescue from total collapse what was once one of the world's bread baskets and which boasts the most highly skilled workforce in Latin America.

The economy, which was already in dire straits, deteriorated further in the final weeks of the preceding Alfonsin government.

Hyperinflation resulted in a 5,650 per cent rise in consumer prices in the first 12 months of Menem's tenure; government spending cuts and a sharp fall in consumption sparked nationwide recession; and industrial output, which had fallen steadily since 1975, contracted a further 7.7 per cent in 1989. Menem's crusade has not been helped by criticism of his colourful personal lifestyle, and even now he is locked in a bitter dispute with railway workers over plans to introduce foreign ownership in sections of the country's 35,500 kilometres of operating track.

Menem has made substantial progress, thanks to unprecedented support from the main opposition Radical party, as economic policies implemented by the president are similar to the electoral proposals put forward by his opponents. Among the achievements was the sale of the overloaded telephone service to private operators. The government has also relinquished control of Aerolines Argentinas, the state airline, which was sold to a consortium including Iberia of Spain.

Less well publicised has been the attack on financial barriers impeding foreign investment. The maximum tariff on imported products was reduced from 143.5 per cent to 27.5 per cent. Virtually all limitations on the purpose and size of incoming capital investment were abolished.

Repatriation of capital and profits, formerly only permitted in the form of ten-year government bonds, is again freely permitted, as is 100 per cent foreign ownership of local assets.

Inflation has fallen to a comparatively low monthly rate of 11 per cent and tight monetary controls are expected to hold it at 180 per cent this year.

The exchange rate has stabilised at just over 9,000 australs to the dollar.

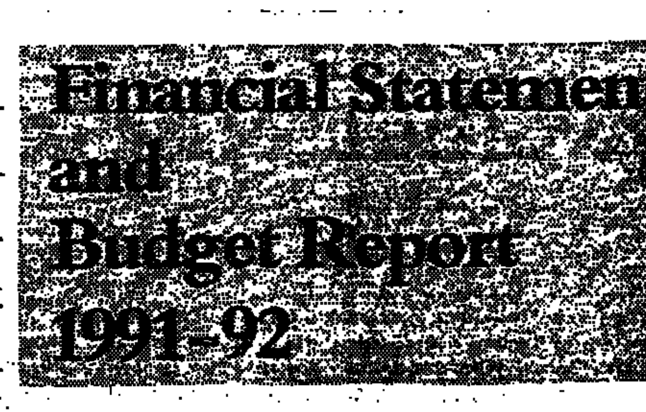
The economic decline of half a century cannot be reversed in just two years, but there are signs that Argentina has taken more than just a tentative step towards rehabilitation.

Now Menem hopes that his efforts will be endorsed by foreign investors.

Investment Opportunities in Argentina, by Simon Doggart for the Southern Development Trust.

Output forecast to fall 2% this year

The Chancellor said output this year would be 2 per cent lower than last, after a painful but necessary period of retrenchment. Recovery could begin in the middle of this year. Inflation is forecast to fall to 4 per cent by year end.



The following are the main points made in the *Financial Statement and Budget Report* (FSBR or Red Book) on the outlook for the economy.

Summary

Retail price inflation has fallen from its peak last autumn It is set to fall sharply in 1991, to 4 per cent in the fourth quarter, and to 3¾ per cent by mid-1992.

GDP fell in the second half of 1990, with weakening domestic demand, and is likely to continue to fall in the first half of 1991. Activity should recover in the second half of the year, though in 1991 as a whole GDP is forecast to be 2 per cent lower than in 1990. The recovery is likely to gather pace in 1992.

Unemployment has risen sharply since the autumn, reflecting the weakness of activity. With the prospect of a further fall in activity in the first half of 1991, unemployment may continue rising this year, though at a slower rate than recently.

Sterling entered the Exchange Rate Mechanism (ERM) on October 8. Since then the sterling index has been within a narrow range around 94. Over the same period interest rates have fallen. Monetary growth fell in the second half of last year, and M0 is well within its target range. The public sector is estimated to have been in broad balance in 1990-91 and a public sector borrowing requirement of £8 billion is forecast for 1991-1992, largely as a result of the weakness of activity.

The world economy was slowing even before the Gulf crisis and the associated rise in oil prices. Oil prices have now fallen back, and are assumed in this forecast to stay close to recent levels. Growth in the major seven economies is expected to fall to 1¼ per cent in 1991, the lowest rate since 1982. With slower growth and lower oil prices, inflation is likely to edge down.

Average errors from past forecasts provide a rough guide to possible margins of error on the new forecasts, and should be borne in mind when interpreting and assessing the forecats. On this occasion there is added uncertainty about the effects of the Gulf war.

UK demand and output

After signs of seemingly renewed vigour early in 1990, domestic demand fell through the final six months as persons and businesses cut their spending. These developments tipped the economy into recession, with GDP falling 1¾ per cent between the first and second halves of 1990. Even so, GDP rose ½ per cent in the year as a whole.

Domestic demand is forecast to go on falling in the early months of 1991, but at a slower rate than in late 1990. While it is always difficult to predict turning points, a recovery is forecast from around the niddle of the year. It could be slow initially, and domestic demand may fall by 2¾ per cent in 1991 as a whole. Over the same period GDP is forecast to fall by 2 per cent. The recovery is expected to gather pace next year, with both domestic demand and GDP forecast to rise by over 2 per cent in the year to the first half of 1992.

The initial source of the recovery is likely to be a revival of consumer confidence in response to falling inflation and lower interest rates. This will stimulate both consumer spending and activity in the housing market. There should also be a contribution from stocks – slower de-stocking in the first instance – but other business spending may not pick up until 1992. Export growth too should begin to pick up later this year with the recovery in the US and other major countries.

The fall in GDP in the second half of 1990 was spread across most sectors. Manufacturing output, which is usually more cyclical than GDP, fell by 5 per cent between March and December 1990, and by ½ per cent in the year as a whole. Output of the service and construction sectors of the economy, both of which enjoyed very rapid growth during the late 1980s, fell by nearly one per cent in the second half of last year. Manufacturing output is expected to *fall* by five per cent in *1991*, though growth is projected to pick up during the year, and into 1992.

Domestic expenditure

Consumer spending fell by 1¾ per cent in the second half of 1990. The fall occurred despite continued strong growth in real personal disposable incomes, and the personal saving ratio picked up quite sharply to nearly 11 per cent. The personal sector is clearly adjusting to the combination of tight monetary policy over the last two years and increased debt servicing needs following substantial borrowing during the late 1980s. The weakness of the housing market last year also probably contributed to consumers cutting back on their spending. The ratio of personal sector wealth (including housing) to income fell back in 1990 after extremely rapid growth in the late 1980s.

Trade and the current balance of payments

The current account is estimated to have been in deficit by £13 billion in 1990, down from £20 billion in 1989. The visible deficit fell sharply through the year as imports responded to weak domestic demand. By the fourth quarter, the manufacturers deficit was around 1 per cent of GDP, the lowest since 1985. Estimates of the invisibles surplus for 1990 have been revised upwards substantially. They now suggest a rise in the surplus between 1989 and 1990, and a particularly buoyant performance in the second half of last year.

UK relative unit labour costs in manufacturing rose during 1990, as the exchange rate firmed and UK unit labour costs rose more rapidly than those in other major industrial countries. Nevertheless, the level of relative unit labour costs against ERM countries remains lower than on average in the 1980s, and close to the average over the past 25 years. UK unit labour cost growth is expected to fall substantially as earnings growth slows and productivity recovers with activity. By the first half of 1992 it is expected to be similar to that in other major countries.

The volume of exports of manufacturers rose by 7¾ per cent in 1990, following growth of 10½ per cent in 1989, and the UK volume share of world trade in manufacturers rose for the second year running. Exports of passenger cars were particularly strong, up 20 per cent in 1990 as a whole. Export growth has, however, eased in recent months as the world economy has slowed. With a further slowdown in world trade in prospect, and the

somewhat higher level of the real exchange rate, exports are forecast to grow only slowly in 1991. However, they pick up as world trade growth recovers; by the first half of 1992, the volume of exports of manufactures is forecast to be 4 per cent higher than a year earlier. The UK's share of world trade in manufactures is forecast to be close to the average level of the last three years.

SHORT-TERM ECONOMIC PROSPECTS

	% change 1990-1991	Avge errors from past[1]
A. GDP and domestic demand at constant prices		
Domestic demand of which:	–2¾	1
Consumers' expenditure	–1¾	1¾
General government consumption	1½	1
Fixed investment	–9¾	3
Change in stockbldg as % level of GDP	–¼	½
Exports of goods and services	1	1¾
Imports of goods and services	–1½	2¾
GDP (average measure)	–2	1
Non-North Sea GDP	–2	¾
Manufacturing output	–5	1¼
Balance of Payments		
Current account 1990 £bn	–8	
Forecast 1991 £bn	–13	4½
B. Inflation		
Retail prices index (Q4 to Q4)	4	1½
GDP deflator at mkt prices (fncl yr)[2]	7	¾
C. Money GDP at mkt prices		
Financial year 1990 £bn	6	
Forecast 1991 £bn	580	1½
D. PSBR		
Financial year 1990 £bn (% of GDP)	–¾ (–¼%)	
Forecast 1991 £bn (% of GDP)	8 (1¼%)	5¾ (1%)

[1] Average absolute errors over the previous 10 years. [2] Estimates of money GDP and the GDP deflator for period before the second quarter of 1990 have been adjusted to remove the discontinuity arising from the abolition of domestic rates.

Following a rise early in 1990, non-oil import volumes fell steadily through the rest of the year, and by the fourth quarter were a little lower than a year earlier. There were particularly sharp falls in imports of passenger cars and capital goods, as consumers and companies cut back their expenditure. Non-oil import volumes are forecast to fall by 2¼ per cent in 1991, reflecting the forecast of domestic demand. Import volumes are likely to pick up more rapidly than domestic demand as the economy recovers in the first half of 1992. This implies a continuation of the historical upward trend in import penetration, which all industrialised economies have experienced, reflecting increasing openness of the world economy.

Current account adjustment over the past year has also been helped by a rise in the non-oil terms of trade, as sterling import prices fell sharply in response to the firmer exchange rate. Sterling export prices also fell through the year, though by less, as companies reduced export margins to try to maintain their export market share in the face of falling domestic demand.

North Sea oil production in 1990 was about the same as in 1989, but considerably lower than forecast in the 1990 FSBR. The large programme of work to fit new safety equipment required longer than expected shutdowns in some fields. This work is continuing in 1991 and oil production is forecast to be slightly below its 1990 level, close to the centre of the Department of Energy Brown Book range.

With little change in oil production, and the rise in dollar oil prices in 1990 partly offset by the rise in the dollar-sterling exchange rate, the oil trade surplus in 1990 remained at around £1½ billion. The sterling oil price is assumed to be lower in 1991 than in 1990 and the oil trade surplus is forecast to decline to £1 billion.

Following a weak performance in the first half of 1990, the invisibles surplus is estimated to have doubled to £3½ billion in the second half of the year. In 1990 as a whole the surplus was £5 billion, up £1 billion on the previous year. *The rise mainly reflected* buoyant net earnings from direct investment. There was little change in the transfers deficit but the services surplus fell in 1990, largely as a result of reduced earnings by the insurance sector.

The invisibles surplus is forecast to rise to £6 billion in 1991. This forecast partly discounts the buoyancy of net earnings from interest, profits and dividends (IPD) at the end of 1990, which may not be sustained. Little change in IPD is expected overall, even though lower sterling interest rates should reduce banks' net interest payments overseas. The services surplus is likely to begin to recover during *1991*, but not *sufficiently to* prevent a further fall in the surplus year on year. However, the transfers balance should benefit substantially from a rebate of EC contributions and from financial contributions by other governments to the UK's Gulf expenditure.

The rise in the exchange rate during 1990, particularly against the dollar, and the fall in world stock markets, contributed to an estimated fall in the sterling value of identified net overseas assets to £41 billion at the end of 1990, compared with £103 billion a year earlier. This reduction followed substantial increases, reflecting large capital gains, in the previous two years.

The recent revival of the dollar and world stock markets will have partly reversed this fall. The difficulties in measuring certain capital flows (reflected in the balancing item in the overseas account) and in valuing direct investments mean, however, that estimates of net overseas assets are subject to wide margins of error.

Current account

The current account deficit is forecast to fall from £13 billion (2¼ per cent of GDP) in 1990 to £6 billion (1 per cent) in 1991. This mainly reflects a further fall in the deficit on trade in manufactures as a result of lower domestic demand.

Over the three years to 1989 the private sector (persons and companies) ran increasingly large financial deficits, with spending rising faster than income. The deterioration in its financial position was without precedent in the last seventy years, and had its counterpart in a worsening current account deficit. With private sector income forecast *to rise faster than spending*, the private sector financial balance is expected to return to its traditional surplus in 1991 and early 1992. This is reflected in a smaller current account deficit. Within the private sector, both persons and companies are expected to improve their position, with persons increasing their surplus and companies reducing their deficit.

Inflation

Producer output price inflation (excluding food, drink, and tobacco) was 6¼ per cent in February, ½ per cent higher than its rate through the summer. This recent pick-up in inflation is surprising. It may reflect efforts by producers to defend their profit margins. Margins have been under pressure for some time from the recession and rising costs, especially labour costs.

Retail price inflation has fallen sharply in recent months, from almost 11 per cent in October to 9 per cent in January. This partly reflects reduced mortgage interest rates in November, 1990, and the effects of the mortgage rate rise of November, 1989, dropping out of the 12-month comparison. Petrol prices have also declined as world oil prices have fallen back from their peak in October. But even allowing for these factors, retail price inflation has slowed in response to weak consumer demand and a sharp reduction in food price inflation as supply conditions have improved after the drought of 1989.

Provisional *CBI data show* a marked fall in pay settlements in manufacturing to 8¼ per cent in the first quarter of 1991, from around 9 per cent in the previous three three quarters. In addition, an increasing number of firms have reached agreements which provide either for no increase in pay or defer any increase until later in the year. Whole economy underlying earnings growth fell to 9½ per cent in January from a peak rate of 10¼ per cent in July, as overtime and bonus payments fell in response to the slowdown in activity.

Unit labour cost growth in manufacturing is likely to slow sharply throgh 1991 and beyond, principally as productivity growth rebounds with the recovery in activity. Earnings growth is also expected to moderate as settlements respond to falling inflation and companies further rein back overtime and bonuses. The CBI's Survey of manufacturers in February suggests that underlying inflationary pressures are abating rapidly. The balance of firms expecting to increase prices in the immediate months ahead was at its lowest ever level. With manufacturing output likely to fall further for a while, the recent pick up in producer output price inflation is unlikely to be maintained. It is expected to fall to 4¾ per cent in the fourth quarter of 1991, declining further to 4 per cent by mid-*1992*.

Weak consumer demand will exert strong downward pressure on retail price inflation throughout 1991. Recent cuts in mortgage rates, the mortgage rate rise of March 1990 dropping out of the twelve month comparison, and the net impact of the Budget measures will also contribute to sharply falling inflation. RPI inflation is forecast to be 4 per cent in the fourth quarter of 1991 and 3¾ per cent by the middle of 1992.

The GDP deflator, which measures the price of domestic value added (principally unit labour costs and profits per unit of output), is forecast to rise by 7¼ per cent in 1990-91, boosted by the rise in oil prices and the improvement in the terms of trade. The increase in VAT in the Budget *adds about 1 per cent to the* GDP deflator. Even so the growth in the deflator is expected to fall to 7 per cent in 1991-92.

Financial developments

For most of the period since the UK joined the ERM sterling has traded in a relatively narrow range. The sterling effective index remains close to its level just before ERM entry. Short-term interest rates, which were reduced by 1 percentage point at the time of ERM entry, have since fallen further. Long rates have also fallen back since the early autumn, by over 1 percentage point, in part reflecting growing confidence about the prospects for low inflation.

The year on year growth rate of M0 has fallen from 7½ per cent last spring to around the centre of its target range in early 1991. Broad money growth began to fall in early 1990 from a peak of around 19 per cent. By January the annual growth of M4 was down to 11 per cent. Bank and building society lending had begun to respond to tight monetary policy earlier, as high interest rates reduced lending for house purchase. During 1990 the decline in the growth of credit gathered pace, as industrial and commercial companies' also cut back sharply on their borrowing. By the start of 1991 the growth of bank and building society lending was down to 13 per cent.

Following strong rises in the second half of the 1908s, asset prices weakened during 1990, reflecting the tightness of monetary policy. There was a substantial fall in the ratio of house prices to average earnings, and real equity prices fell sharply. More recently, however, *there have been signs* that the housing market may be close to its trough.

Forecast and outturn

Errors on the forecasts of demand, activity and the current account were within, in some cases well within, the average errors from past forecasts. *GDP growth was a little* less than forecast. Domestic demand was stronger, reflecting inexpected resilience in the first half of the year, but net exports were weaker than forecast. The error on inflation was bigger than average, largely due to a slower than usual response of underlying inflation to the fall in demand, but also because of the effect of the Gulf crisis on petrol prices. The public sector debt repayment is likely to be well below last year's Budget forecast, with large errors on both the income and expenditure sides of the account.

Slowdown means borrowing of £8bn in 1991-92

The Chancellor forecast a 'temporary re-emergence' of the public sector borrowing requirement, owing to lower economic activity. Public borrowing of £8 billion is predicted for the next financial year.

Edited extracts from the Red Book report on the government's financial strategy.

THE central objective of the government's macro-economic policy continues to be the defeat of inflation. Low inflation is an essential pre-condition for healthy economic performance and the success of other policies aimed at improving the flexibility and efficiency of markets.

Policy Framework

The United Kingdom joined the exchange-rate mechanism of the European Monetary System on October 8, 1990, with wide (6 per cent) bands around sterling's central rates against other participating currencies. *Interest rates* remain the essential instrument of monetary policy, but now the overriding factor in setting them is the need to meet the UK's ERM obligations.

Sustaining sterling's position within the ERM bands will secure lower inflation in the UK. The operation of the ERM encourages convergence on low rates of inflation. All members are committed to low inflation, and those countries with the lowest inflation effectively set the pace for the others. Monetary policy has to be relatively tight in countries with above average rates of inflation and relatively weak currencies. Thus the UK's inflation rate can be expected to move progressively into *line with the best inflation* performance elsewhere in the ERM.

The speed at which inflation falls will depend on the stance of policy both in the UK and elsewhere in Europe and on the pace at which markets adjust to the new monetary policy framework. Employers and employees will need to take account of wage settlements in other countries within the ERM. The quicker the growth of labour costs moderates, the sooner the UK will be able to combine low inflation with a satisfactory rate of growth of output.

ERM membership does not change the need to support monetary policy with a firm fiscal stance. The government will continue to aim for a *balanced budget over the medium term*, while permitting some fluctuation in the PSBR over the cycle.

The following sections explain the government's approach to monetary and fiscal policy within the ERM, and set out fiscal projections over the medium term based on illustrative paths for money GDP, real output, and inflation.

Monetary Policy

Membership of the ERM sets a new framework for monetary policy. Interest rate decisions must now be set consistently with keeping sterling within its announced bands. This commitment is accordingly a constraint on *the relationship between UK* interest rates and those in other ERM countries. Interest rate convergence will follow inflation convergence. Both are likely to take some time to achieve.

Like all the other larger countries within the ERM, the government will continue to set a monetary target and take account of a range of other indicators of domestic monetary conditions. This approach helps to ensure that the ERM as a whole has a firm nominal anchor.

There may be occasions when tensions arise between domestic conditions and ERM obligations, with domestic conditions pointing to interest rate levels either higher or lower than those *indicated by ERM obligations.* But such occasions are expected to be the exception rather than the rule and to be relatively short-lived. The experience of other ERM countries suggests that external and domestic considerations will more often point in the same direction. Any loss of discretion to respond to domestic monetary conditions is likely to be more than compensated for by the improved market confidence and reduced inflationary expectations that the ERM commitment is bringing about.

Narrow money (MO) has been a reliable indicator of monetary conditions, picking up both the unexpectedly buoyant demand conditions in the first *half of 1990* and the sharp turnaround in the economy in the late spring and early summer. For 1990-91 as a whole, MO is forecast to have increased by 4.6 per cent, within the 1 to 5 per cent target range set a year ago. The government proposes to set a target for MO for the financial year 1991-92: the target range will be 0 to 4 per cent, the same as the *illustrative range* for 1991-92 shown in last year's MTFS, and a 1 percentage point reduction on the 1990-91 target range. Growth of MO within this range will help to underpin the government's ERM commitment.

PUBLIC SECTOR BORROWING REQUIREMENT

	'89-90	'90-91	'91-92	'92-93	'93-94
General government expenditure excluding privatisation proceeds	40	40½	41½	41¼	40¾
Privatisation proceeds	¾	1	1	1	¾
General government expenditure	39	39½	40½	40½	39¾
General government receipts	40½	39½	39	38¾	39
Cumulative fiscal adjustment	—	—	—	0	¼
Public corporations market and overseas borrowing	-¼	0	0	0	0
PSBR	-1½	-¼	1¼	2	1
Money GDP at market prices (£b)[2]	509.9	547	580	624	668

[1] Rounded to the nearest ¼ per cent of GDP. [2] Rounded to nearest £1 billion from 1990-91 onwards, and adjusted in 1989-90 to remove the distortion caused by the abolition of domestic rates.

OUTPUT AND INFLATION ASSUMPTIONS

	% change on previous financial year 1990-91[3]	1991-92[3]	1992-93	1993-94	1994-95
Money GDP	7¼	6	7½	7	6¾
Real GDP: Non North Sea	-½	-1	2¾	3	3
Total	-½	-1	3	3¼	3¼
Inflation: GDP deflator	7¾	7	4½	3¾	3

[1] Percentage changes on previous financial year; forecast for 1991-92 and assumptions thereafter. [2] Figures for money GDP growth and the GDP deflator adjusted for distortion arising from the abolition of domestic rates. [3] Budget increase in VAT adds about 1 per cent to money GDP and the GDP deflator in 1991-92.

GROWTH OF M0

	Percentage changes on a year earlier 1990-91	1991-92
1991 MFTS	4.6	0 to 4
1990 MFTS	1 to 5	0 to 4

The UK has set no target for broad money for the past four years. Over this period, the velocity of broad money has not been sufficiently predictable to justify reintroducing a target for it. But the government will continue to monitor M4 and the other broad aggregates carefully.

Over the past year, the government has continued to follow the "full fund" rule. With the reduction in the PSDR in 1990-91, funding was resumed towards the end of the financial year. The £8 billion PSBR forecast for 1991-92, together with gilt-edged redemptions of over £6 billion falling due in the year, will involve a return to gilt sales on a larger scale than for the past three years.

Fiscal policy and projections

The public finances have now returned close to balance following the surpluses enjoyed since 1987-88. For 1990-91, a net repayment of £¾ billion is now expected, compared with £8 billion in 1989-90. This reduction reflects the fall in output: non-North Sea output is now expected to have fallen by ½ per cent between 1989-90 and 1990-91.

The government's objective is to balance the budget over the medium term. This is a clear and simple rule which ensures that a prudent fiscal policy supports monetary policy in the fight against inflation. It implies that the ratio of net public debt to GDP, and hence the burden of debt interest payments, will continue on a downward trend; and also provides scope for the burden of taxation to fall over the medium term as public expenditure declines as a share of GDP.

Cyclical variations in public sector borrowing and debt repayment are consistent with this medium-term approach to fiscal policy. The operation of the "automatic stabilisers" implies a borrowing requirement at low points in the cycle and a debt repayment at high points. Public expenditure is affected by changes in economic activity: for example, social security payments change with the level of unemployment.

Tax revenues vary more than proportionately with incomes: for certain taxes marginal tax rates exceed average rates. Corporation tax receipts are subject to particularly wide swings. Such variations in the PSBR can be helpful in damping transitory demand changes: they do not involve short-term changes to fiscal instruments with the accompanying risk of ill-timed judgments; and they are consistent with a sound underlying fiscal position.

There has been a clear cyclical pattern in the public finance over many years. The public sector moved into substantial surplus during the years of very rapid growth between 1985 and 1988, with the PSDR reaching 3 per cent of GDP in 1988-89. Since then, as the economy has slowed down, the surplus has declined and the present position is one of broad balance.

The public sector is now expected to move temporarily into deficit, reflecting the cyclical downswing in the economy. However, as inflation comes down and output recovers, the budget will return to its underlying balance.

The PSBR has been set at £8 billion for 1991-92, equivalent to about 1¼ per cent of GDP. This is consistent with the objective of balancing the budget over the cycle.

Assumptions about path of the economy are required in order to illustrate possible developments in the public finances over the medium term. Over the medium term, inflation is projected to fall to 3 per cent, which is assumed to be close to performance in the main ERM countries. The level of real GDP will be below trend in 1991-92. But as inflation moderates, real GDP growth is likely to recover, and there should be scope for above-trend output growth for a while without arresting progress on inflation.

The increase in the PSBR in 1992-93 is consistent with this assumed path of output. It takes time for the effects of low activity to feed through fully to revenues. For example, corporation tax, which is particularly sensitive to cyclical developments, is collected roughly a year in arrears. Thus weak profits in 1991 will depress the yield of corporation tax in 1992-93 and contribute to the higher PSBR in that year. Thereafter, the PSBR should decline as a share of GDP.

The government's medium-term policy of balancing the budget implies that the ratio of net public sector debt to GDP will continue to decline, further reducing the share of the nation's stock of savings absorbed by the public sector. The relatively large PSBR in 1992-93 probably implies a very small rise in the debt ratio.

Summary

The MTFS affirms the government's objective of bringing down inflation and keeping it down. The government is committed to meeting its ERM obligations. The government is retaining a target for MO, and will continue to operate fiscal policy as as to maintain a balanced budget over the medium term.

Allied's £150 million black hole

COMMENT

Losing £150 million is not that easy, particularly in the normally stuffy world of Treasury management. Keeping such losses quiet is even more difficult, so Allied-Lyons can be granted a measure of approval for the fact that the news of a £150 million foreign exchange loss came as such a bolt from the blue yesterday.

That limited praise is about all the company is due, however, for it does not emerge with much credit from all other aspects of the affair. Clifford Hatch, the finance director, has done the decent thing and indicated that he will resign in due course, but the company is giving no indication of how it dropped such a monumental clanger.

Shareholders deserve better, particularly as the announcement comes a month after almost 10 per cent of the equity went onto the market with the placing of the Olympia & York stake. The shares went out at 497½p; the institutions saw more than half of their subsequent profits evaporate with yesterday's 29p fall to 520p.

Allied says it has brought in National Westminster to help close the position that caused the damage and KPMG Peat Marwick McLintock, its auditors, to investigate the affair. Steps have been taken to ensure such exposures do not occur. No further details are given.

Four main questions must be asked. Is £150 million the extent of the loss? To the best of its knowledge, says Allied. Is there any sign of irregularity? Not at the moment, although that is a question for the auditors. Was there any indication of the loss at the time of the O&Y placing? No comment, mumbles Allied.

Most importantly, how did it happen? The company will not say, but there must be speculation that the group wildly misjudged the future direction of the dollar at some stage when it hedged against its overseas earnings.

Allied receives well in excess of £1 billion in turnover from North America, from Baskin-Robbins, Hiram Walker, Dunkin' Donuts and other businesses. The recent upsurge in the dollar would, therefore, have highlighted any such exposure. Allied's management has made itself few friends from the episode. Not only will £150 million have to come off profits, but carrying costs of the loss will impact on next year's profit and loss account. The worst damage will be to its credibility. Just how do you lose £150 million? Answers quickly, please.

Arrow blues

Mitchell Fromstein must feel he has at last escaped the chimera of Blue Arrow — and it has been an enormous task. Once Tony Berry had been ousted as chairman, Fromstein moved in and took a scythe to just about everything Berry had done. Out went several businesses, such as the Australian operation, and farewells were made to a couple of cosy ventures, including the Blue Arrow America's Cup challenge. After about £60 million of extraordinary provisions were made against the extraordinary events of the previous three years and debt was cut from £200 million to £22 million, Fromstein then changed the company's name to Manpower, moved the head office to Milwaukee and, in the final stage, is changing the group's nationality to American.

And that, he hopes, will be that. Fromstein believes the £1.5 million put aside for the cup challenge in the 1990 accounts will be the last time he will have to provide for the Berry regime's ambitions. Just how long it will be before the company can start paying dividends again is another matter.

The problem is caused by a deficit in distributable reserves, but the cupboard is kept bare because under UK accounting rules, reserves can only be topped up by the holding company and in Manpower's case the holding company's only income is that from trading company dividends.

Unfortunately, Fromstein's team does not think that reserves will be healthy enough to start paying dividends for the "foreseeable future", which, when pressed, means more than three years.

Fromstein faces new problems, which are caused by an economic climate that is sharply eroding Manpower's profitability. But he managed to regain control of his enlarged business as though he won the takeover bid for Blue Arrow and not the other way round, and that is just the kind of ingenuity Manpower is going to need.

Index losers

These are frustrating times for companies hoping to gain the perceived benefits of joining the FT-SE 100 share index of the highest valued British companies on the International Stock Exchange. They must rely on the ebb and flow of market values at the bottom end and occasional spectacular exits, such as Globe Investment Trust or Polly Peck.

Most of the vacancies seem, however, to be taken by privatised groups that barge their way to the head of the queue. Privatised groups, including TSB, already take 14 places.

Today, the index committee meets for a quarterly review. The favourites to join are, naturally, National Power and PowerGen. Having partly paid shares did not stop water companies. Losers may argue that since the government will still own 40 per cent stakes in each for at least two years, they should wait their turn.

TEMPUS

The Brierley factor adds a dimension to BSG payout

THERE is nothing like a 29 per cent hostile shareholder breathing down a board's neck to prompt a generous approach to dividend payments. BSG International's full-year figures, featuring a pre-tax profits collapse from £23.4 million to £13.1 million, might have been grounds for a dividend cut, but for the presence of Sir Ron Brierley's IEP Securities as a shareholder.

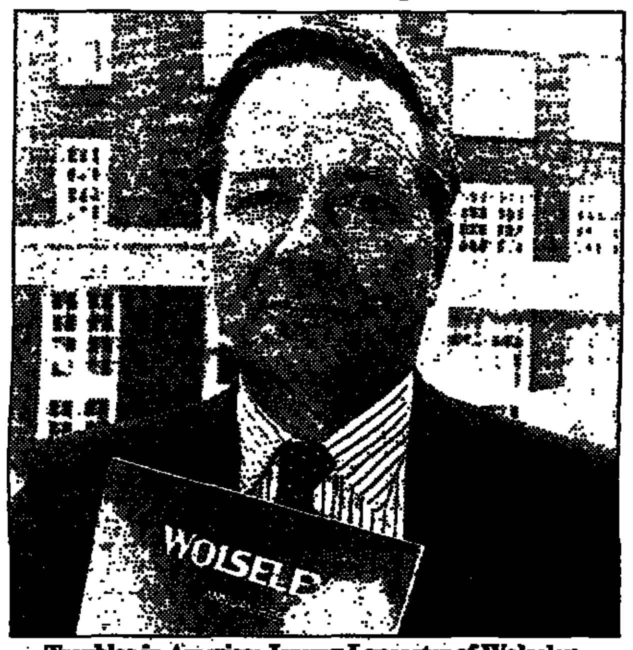
Last year's payout is maintained, even though it is barely covered by attributable profits. BSG's woes are hardly of its own making; automotive components have held up well, but car dealing has taken a pounding.

Consumer products have been hit by falling spending on such items, and long-running problems on a contract for aircraft components with Boeing. There was also the cost of scaling down a Ford dealership in Birmingham. The difficulties with Boeing are behind BSG, but there is little sign of improvement in its other markets.

Small disposals have done little to cut gearing, up 8 points last year to 44 per cent and set to edge higher. The shares, which have rallied from their 40p low in January, lost ½p to 55p yesterday.

Sir Ron's options look limited. IEP has been selling out of a range of its investments, but given the illiquid nature of the market in BSG's shares, a block sale to a potential predator looks his best way out, short of a full bid.

The market expects a flat performance this year. Another £13 million pre-tax puts the shares on almost 14 times prospective earnings. The IEP stake is about all the shares have going for them.



Troubles in America: Jeremy Lancaster of Wolseley

Wolseley

HAVING coped as well as its competitors with the British recession, Wolseley, the builders' merchant, ran into even worse conditions in America.

Problems at Familian Corporation, the southern Californian distributor, and a 12 per cent slide in the dollar cut American profitability by 37 per cent to £15.8 million for the latest six months.

The remaining American operations, Familian North West, further up the west coast, and Ferguson, in the south and east, had held their profits, albeit on higher sales.

At home the Plumb Center business ran into a weak heating market, says Jeremy Lancaster, the group chairman, and while it added to its dominant market share, failed to hold profits. Building materials and plant hire not surprisingly succumbed to the recession, and British distribution dipped from £21.9 million to £17.2 million.

British manufacturing also held its turnover levels, with electricals raising their profits contribution, but agricultural machinery lost money, and the division's profits slid from £11.6 million to £9.7 million.

Group gearing is a couple of points higher at a not-uncomfortable 30.4 per cent.

Profit expectations for the full year have already been trimmed, and Wolseley will do well to beat £80 million, which would produce 24.5p of earnings. The shares, after a strong run sell for over 15 years' earnings at 374p, but, as among the most reliable stocks in the sector, probably remain a solid hold.

Paterson Zochonis

PATERSON Zochonis, which relies on Nigeria for 20 per cent of its profits, has seen the naira fall 27 per cent in the past nine months, from 7.4p to 5.4p. This and a severe downturn in Australia was behind a slip in interim profits from £11.6 million to £11.2 million.

Profits were also checked by a lower investment income, and there were further continuing losses in the Ivory Coast, Senegal and the Central African Republic to the extent that PZ is now closing those operations. Closure costs will be taken as an extraordinary item at the year end.

The marketing spend and product drive, meanwhile, will continue in the more populated areas of Southeast Asia and the Pacific basin.

In Britain, the thrust behind Cussons will be increased. Cussons' market share in Britain is up to 25 per cent, though the domestic recession is taking its toll.

PZ is still (and is likely to remain) more like a bank than a manufacturer with net cash holdings of about £112.4 million, equivalent to 235p a share, on which gross investment income was £8.25 million (£8.43 million). Operating profits, by contrast, were £4.91 million against £4.8 million.

Overall, not much difference can be expected from second-half results, but one consolation is that the interim dividend rises from 2.05p to 2.15p a share.

Barely changed year-end profits of £25 million would put the shares at 340p on 11.1 times prospective earnings. For the cash asset backing alone, they have an attraction.

Big business attacks 'unfair' rules on policing takeovers

GKN is not mincing its words: "The overall system is cumbersome and its precise workings a mystery to many, if not most, businessmen." Nor is Kingfisher: "It is uncertain in application. It is unfair and inefficient in implementation. Significant and unnecessary burdens are placed upon the parties involved."

These are just two among a range of British companies attacking the roles of government, ministers and regulatory authorities in vetting mergers and takeovers.

Kingfisher's remarks, and those of many others, are voiced in a series of previously unseen memoranda from a raft of companies, banks, lobby organisations, government bodies and trade unions to the Commons' all-party trade and industry committee, which is currently investigating British takeovers and mergers.

Some organisations, such as the Bank of England, the Takeover Panel and Lazard Brothers, broadly support the arrangements. But many bodies are critical.

GKN adds to its unminced words by doubting the effectiveness and real value of a system under which a reference to the Monopolies and Mergers Commission by itself results in "the vast majority of mergers immediately collapsing", with "serious consequences" for businesses involved.

Existing British procedures are out of step with others, GKN says, and the system's discretionary aspects are vulnerable to changes in government policy or ministers.

'MMC structures and procedures are cumbersome and outdated'

The National Consumer Council says that the role of the trade and industry secretary, currently Peter Lilley, should be examined. The lack of monitoring is a "glaring inadequacy" in the system, the council says. It adds: "We believe that the structures and procedures of the MMC are both cumbersome and outdated. It needs to function as an investigatory body, instead of in its existing, more passive style."

British Airways says the Office of Fair Trading (OFT) and MMC should each disclose parties' submissions, allowing those involved "to respond directly to the case that is made rather than to indulge in shadow-boxing through the medium of the MMC".

Sir Edward du Cann, chairman of Lonrho, accuses the government of a "lack of sure touch" on these issues, arguing that the government "shirks all responsibility for ensuring that sanctions are effectively employed" in takeover cases.

Pilkington says that the present Takeover Code is "weighted in favour of the bidder".

Courage says there should be a review not only of the role and procedures of the MMC and OFT, but also for a widening of competition policy. It says the MMC could be "more critically searching" in examining evidence. The trade and industry department's investigations would be improved if the OFT could enter into informal discussions to avoid an MMC reference.

The merger agencies do not particularly take up the cudgels on policy. Sir Gordon Borrie, OFT director general, suggests an "alternative approach" by allowing him to differentiate between competition and other public interest issues in his advice.

In its evidence, the trade and industry department does little more than lay out present policy. "The government's broad approach," it says, "is that, in general, the market should be allowed to 'get on with it'," though it adds that "in those merger cases where private interests diverge from the public interest — where, typically, a merger has the potential to allow for abuse of market power — intervention is justified".

Mr Lilley remains largely unmoved by the criticism, concluding with a statement of readiness and determination: "The government will be vigorous in making use of the powers available to it."

PHILIP BASSETT
Industrial Editor

THE TIMES CITY DIARY

Simpson holds the candle

MORGAN Grenfell lost one of its corporate financiers on Friday when Richard Simpson resigned, but it might well have gained a corporate client of the future. For Simpson, aged 32, and a chartered accountant by training, has changed sides and gone into business. He and his father Gordon — once the finance director of Shell UK — have bought 100 per cent of Price's, the Battersea candle maker that possesses three Royal warrants, one to the Queen Mother, one to the Queen in her capacity as head of the Church of England and a third to the Queen for domestic use. "I believe she uses our candles for her dining table," says Simpson, now chairman of the firm. An Oxford geography graduate and ex-Stowe pupil, Simpson bought Price's from Shell UK ventures, the venture capital arm of the oil group. "It took me 18 months to persuade them to sell it to me," he says. "I now want to recapture some of its traditional market, to start exporting more and to introduce ancillary products." He is, he adds "terribly excited" by the challenge that lies ahead. "It's terrific to move away from being a leech on industry and actually move into industry instead."

On the move

CSFB, the securities trading arm of Credit Suisse, is reeling from the loss of two senior executives in rapid succession. Nigel Pilkington, head of UK equity sales — and a member of the Pilkington glass family — walked out on Friday together with Richard Briance, well-spoken former head of gilts. Briance and David Benson, former head of arbitrage, had both been running CSFB (UK) — an amalgamation of the gilts and equities divisions that were merged into one department. While Pilkington has yet to reveal his plans, Briance has told friends he hopes to pursue a career in politics — something for which his spell at the firm may have prepared him well. He was elected as a Conservative councillor in the Royal Borough of Kensington and Chelsea last year — a position that could pave the way for higher things. "We accept their resignations with regret and sadness and wish them the best of luck," says Robert Loverd, an executive director. No further comment was available from Hans-Joerg Rudloff, the CSFB chairman, who commutes weekly to London from Geneva.

'Remember the good old days when they used to have beat-the-Budget shopping sprees?'

THOSE who can, speculate. Those who cannot, it seems, lecture. Portsmouth Polytechnic, according to an optimistic press release, is offering an eight week course teaching small investors how to make a killing on the Stock Exchange. But if its lecturers really did know how to do that, surely they would not be spending their time giving lectures.

In the stars

GOVERNMENT officials and media observers were mystified that Barney (UK) Limited, the first Hong Kong manufacturing investment in Northern Ireland, should have chosen last Saturday for the official opening of its East Belfast plant that makes video cassette tapes and household goods. For the Belfast public is, by and large, rather more keen on recreation on a Saturday than attending workplace events. But the reason for the choice is that March 16 — which can be rendered as 16/3 or, American style, as 3/16 — is astrologically auspicious. To the Chinese the numeral three signifies "alive" and 16 "plenty to eat", says a source close to Dr Paul Yong, Barney's managing director, whose daughter Michelle, a medical student at Queen's University in Belfast, also celebrated her 21st birthday on Saturday. If you pool them altogether, 316 signifies "as long as you live our business will be lucky and prosperous".

Award winner

PROPERTY companies have not been known for making vast sums of money in the past few months. But those firms still in business may care to take a tip or two from Arlington Securities, the property arm of British Aerospace, which has proved a master at raising cash — whatever it takes. The cash in question, £50,780, was raised before Christmas in the space of a week, and will form part of a £250,000 donation from British businesses to help orphans in Romania. "We got everyone involved," says Patrick Deigman, managing director of Arlington Property Development, and team leader for the fund-raising event, launched with the help of Sir John Harvey-Jones. "We persuaded Rover to donate a Mini Cooper to be raffled at Langan's Brasserie, and we even offered a day in the company helicopter." Deigman is due at the Waldorf on Friday to receive the team award from Princess Helen, a member of the exiled Romanian Royal family.

SIGN of the times . . . a notice, pinned to the door of a shop in Stirling, which closed down only two weeks after opening, reads: "Opened in error."

CAROL LEONARD

BUSINESS ROUNDUP

Brake shares up 24p on raised profits

SHARES in Brake Bros, Britain's largest supplier of frozen food to the catering industry, jumped 24p to 332p after the company unveiled a 27 per cent advance in pre-tax profits from £11.8 million to £14.9 million in the year to end-December. Turnover, boosted by acquisition, grew 34 per cent to £195.4 million. Underlying growth, excluding businesses acquired, was about 23 per cent for the year, having been at about 25 per cent at the halfway stage.

The lower rate of growth is blamed on lower volumes, although William Brake, the chairman, said growth was continuing despite the adverse economic affects on the catering market. A 25 per cent increase in the total dividend makes 5.25p (4.2p) for the year, after an improved final payment of 3.75p (3p). Earnings per share rise 29 per cent to 21.8p (16.9p).

English & Scottish rises

PRE-TAX revenue at English & Scottish Investors rose to £6.69 million (£3.68 million) in the year to end-January. Net assets fell to 134.1p (165.1p) a share. Earnings were 5.75p (3.29p) a share, with fully diluted earnings at 5.70p (3.26p). An interim dividend of 2.5p (2.1p), makes 3.5p (2.75p), and there is a non-recurring payment of 1p.

Thurgar dips into red

THURGAR Bardex, the window frames maker, incurred a pre-tax loss of £56,000 (£124,000 profit) last year. There was an exceptional loss of £696,000. Earnings were 0.82p (0.58p) a share. No final dividend (1.65p) makes a 0.85p (2.5p) for the year. Turnover was £43 million (£42.2 million), while trading profits climbed to £2.42 million (£2 million).

Monument expands

MONUMENT Oil and Gas is acquiring production and exploration interests in Southeast Asia, the Middle East, Germany and Colombia from the Mercurius Group of Sweden. A 12.5 per cent interest in the Harriet field off Western Australia is included. The price of £18.4 million is being met by the issue of 51.23 million new shares, of which 26.23 million have been placed in the market.

Monument will take on debts of $13.1 million. Monument had net income of £8.82 million (£5.41 million) and earnings of 1.52p (1.01p) a share last year. There is again no dividend.

BP links up with Statoil

BP and Statoil, the Norwegian state-owned oil company, have finalised an agreement to collaborate in a joint research and development programme at a cost of up to $20 million a year. The two companies are also discussing the joint marketing of gas in Britain and the development of North Sea gas infrastructure.

Harland back to profit

HARLAND and Wolff, the Belfast shipyard, has made its first profit for nearly 30 years. The profit of £11.7 million in the first 16 months after the group's privatisation in September 1989, compares with a loss of £8 million predicted in the privatisation prospectus. Workers who took £1 shares gain a 12p dividend.

AAF ahead at £3.6m

PRE-TAX profits at AAF Investment Corporation, the system and modular building and alloy wheel manufacturer, rose 18 per cent to £3.6 million during 1990. AAF is paying a final dividend of 6p, including a special final 1p dividend relating to interest income. The 11p total payout for the year represents a 10 per cent improvement on 1989.

At the year end, AAF had cash balances of £18 million, on which it earned net interest of £1.7 million. The cash pile was reduced to £12 million after the acquisition of an alloy wheels business from the administrators of Parkfield in January.

RECENT ISSUES

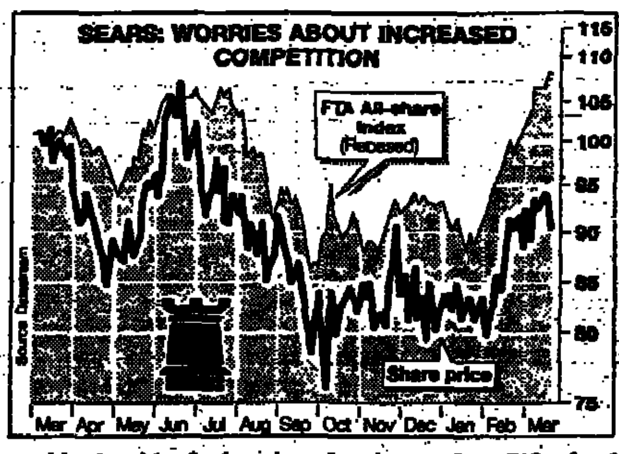
EQUITIES			
Atlantis Resources	37	Midland Radio	96
Abertorth Smlr (100p)	116	Pelican Gp (50p)	24 -2
Alliance Res	48	Proteus Intl (84p)	120
Brabant Res (155p)	134	Seton Healthcare	165
CMW Group (30p)	61	Smaller IT	82 -1
Castle Cairn (50p)	38	Stand Platform (225p)	175 +1
EFM Java Tst (50p)	40	Trio Inv Tst	43 -1
East German Inv	119	Utd Uniform	88
Eidos (100p)	62	Unichem (100p)	147 -1
Etonbrook	69	Wig Tpe App	223 -4
Europe Energy	14	● See main prices page for Electricity shares	
Faber Prest (175p)	129		
Foreign & Col	50	RIGHTS ISSUES	
Highcroft Inv	165	Baynes (Charles) N/P	11 -½
Invergordon (135p)	158 -6	Cmmy Hospital N/P	38 +5
Levercrest (108p)	69	Resort Hotels N/P	22 -1
MMEC	3½	Wilkes N/P	28 -1
MMI (20p)	23	(Issue price in brackets).	
Malaysia Capital	£7⅛		

FT-SE 100 VOLUMES*

	Vol '000		Vol '000		Vol '000		Vol '000
Abbey Nat	2,916	Cadbury	2,117	L&G	3,640	Royal Bnk	810
Allo-Lyons	14,407	CU	733	Lloyds	3,744	Royal Ins	1,968
Anglian	1,321	Courtaulds	740	Lonrho	1,831	Sainsbury	1,444
ASDA	4,316	Dalgety	387	Lucas	1,086	Scot & N	944
AB Foods	166	Enterprise	417	M&S	5,368	Sears	4,474
Argyll	869	Eurotunnel	764	Maxwell Cm	724	Severn Trnt	1,362
BAA	1,522	Fisons	2,596	MEPC	682	Shell	5,748
BET	2,242	Gen Acc	701	Midland	2,866	Smith & N	5,972
BTR	3,065	GEC	2,915	Nat West	3,984	SK Beech	1,866
BAT	3,040	Glaxo	1,867	N W Water	314	Sun Allnce	822
Barclays	3,480	Grand Met	2,900	P&O	222	Tarmac	1,258
Bass	845	GUS 'A'	181	Pearson	470	Tate Lyle	1,962
BICC	424	GRE	1,360	Pilkington	1,134	TSB	3,119
Bk Scotlnd	2,675	GKN	976	Prudential	5,139	Tesco	3,425
Blue Circle	1,749	Guinness	1,170	Racal	4,447	Thames Wtr	1,630
BOC	803	Hamm 'A'	88	Rh Hovis	803	Thorn EMI	302
Boots	2,613	Hanson	7,280	Rank	261	Trafalgar	1,867
Br Aero	426	H & C	680	RMC	204	THF	757
Br Airways	2,327	Hawker	295	Redland	360	Ultramar	1,277
Br Gas	6,200	Hillsdown	925	Reed	1,137	Unilever	1,205
Br Petrol	8,405	ICI	1,508	Reuters	1,708	United Bis	836
Br Steel	6,841	Kingfisher	634	RMC Gp	482	Wellcome	958
Br Telecm	6,679	Lasmo	1,831	RTZ	2,713	Whitbrd	869
Burman Cst	623	Ladbroke	3,342	R-Royce	4,825	Wgn Teape	818
C&W	3,821	Land Sec	610	Rothmn 'B'	543	Willis Cor	1,362

STOCK MARKET

Shares tumble as Budget proposals disappoint City



THE City expressed disappointment at the Budget proposals, with fund managers taking the view that they are unlikely to have much impact on market sentiment in the short term.

Share prices ended with some hefty falls, but this had more to do with an opening fall in the Dow Jones industrial average on Wall Street than anything the Chancellor said. The Dow average fell partly because of a profits warning from IBM.

The FT-SE 100 index finished 31.6 points lower at 2,459.0, having been more than 40 points off, but selling was not as heavy as had been feared with 614 million shares changing hands. The FT index of 30 shares lost 32.1 points to 1,947.1.

Dealers speaking after the official close of business said that the FT-SE 100 index was showing a 15-point fall on the futures market after the Chancellor sat down. They said that the start of trading in London this morning would be more influenced by events in New York overnight, in the wake of the warning by IBM, and the remarks by Karl Otto Pöhl, the Bundesbank chief, on the "disaster" of German monetary union.

Government securities followed the lead of a depressed American bond market, closing with falls stretching to £¾ at the longer end.

Many sectors are likely to open lower today.

Motors will feel the two-tier impact of 15 per cent increase in duty on petrol and diesel, which will add 3p to a litre of unleaded and 4p to leaded, combined with further increases on the costs surrounding company cars. Among the motor distributors, T Cowie slipped 3p to 86p, Lex Service 5p to 200p, ME Sanderson 28p to 315p, and Perry Group 1p to 166p.

Retailers will also be disappointed at the surprise 2½p per cent increase in the rate of VAT, which will probably signal a longer than expected squeeze on consumer spending. Kingfisher lost 1p to 464p, Marks and Spencer 3p easier at 243p, Ratners 5p to 176p, Storehouse 5p to 108p, Dixons 5p to 189p, and Body Shop 11p to 266p.

Less of a surprise was the 15 per cent increase in tobacco duties that will add 16p to a packet of 20 kingsize cigarettes, although it will no doubt hit shares. BAT industries rose 2p to 713p ahead of figures today. But Rothmans dropped 28p to 827p.

British Telecom fell 5p to 343p despite confirmation that the government tends to sell its remaining 48 per cent holding in the company this year. Racal Telecom was another dull market, losing 11p to 350p, hit by the news that mobile telephone users will in future have to pay a duty of £200 a year.

Brewers and distillers will feel the effects a 9.3 per cent increase in duties, which will result 2p on a pint of beer, 9p on wine and 56p on spirits. Bass fell 2p to £10.23, Grand Metropolitan 11p to 756p, Greenall Whitley down 9p at 343p, Scottish & Newcastle 6p to 383p, Whitbread A 9p to 475p and Guinness, reporting tomorrow, 8p to 855p. The distillers showed Highland Distilleries 9p down at 265p, Invergordon 6p to 156p and Macallan Glenlivet 5p to 595p.

Early attention was focused on Allied-Lyons, down 38p at 511p, after it announced currency losses of £150 million.

The Allied announcement also affected other leading companies with big overseas exposure. BOC fell 6p to 571p, British Aerospace 15p to 626p, Rank Organisation 16p to 725p Thorn EMI 12p to 737p, Fisons 13p to 464p, Glaxo 15p to £10.15 and SmithKline Beecham A 7p to 745p.

Dealers said that the weakness was likely to be temporary and pointed out that the strong dollar was likely to benefit the big dollar earners such as Wellcome, 10p better at 506p.

Empire Stores rose 9p to 131p after rejecting the 125p a share bid from the Redoute Catalogue of France. The speculators are now hoping for a higher offer or even a counter-bid.

Sears, the Selfridges store and Freemans mail order group, fell 4p to 92p, still reflecting its apparent failure to win control of Grattan, which looks as though it will be going to Otto Versand of Germany. The bid for Empire has only served to increase fears about increased competition in the mail order market. Another casualty was Great Universal Stores A, 18p cheaper at £12.68.

MICHAEL CLARK

The City will be hoping for some good news from Rolls-Royce, down 2p at 158p, at the presentation arranged by Hoare Govett today. Rolls-Royce reported a drop in pre-tax profits from £233 million to £176 million, after hefty provisions, this month. Analysts have since downgraded their estimates for this year to about £200 million, conditions remaining depressed.

Cambridge Electronic dips to £10.2m

By OUR CITY STAFF

A RESTRUCTURED Cambridge Electronic Industries has announced an 8 per cent dip in pre-tax profits to £10.2 million for the 12 months to end-December.

The results are the first since the sale in July of the electronic components business to management for £29 million. The 1990 figures include a seven-month contribution from the division, which accounted for about a third of turnover in 1989. Electronic components contributed £2.5 million pre-tax profit last year. Overall, turnover is down 32 per cent to £118.7 million. A final dividend of 7.6p makes 10.9p for the year, an increase of 8 per cent.

The medical, defence and instruments divisions all increased profits, with controls and manufacturing service earnings reduced by the effects of the recession. As defence operations were boosted by the Gulf war, trading profit for the division rose 9 per cent to £3.2 million. A £13 million order for chemical agent moniters in January will continue to boost the division's performance in the first half of the current year, said Paul Lester, the group's chief executive.

Staff reductions of 15 per cent in the businesses hit by the recession brought year-end employee numbers down to about 1,850 compared with 5,000 in 1989. Further redundancies are possible this quarter, Mr Lester said.

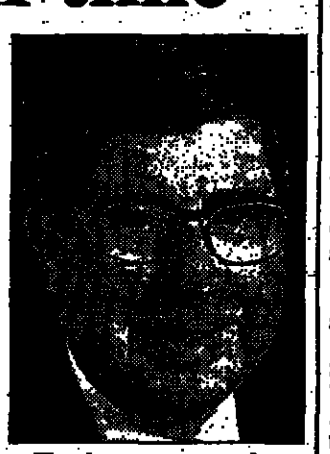
Year-end gearing was 13 per cent, down from 67 per cent. The company plans to use its stronger balance sheet to make bolt-on acquisitions, particularly in the medical division and overseas.

Scholes slips at half time

By OUR CITY STAFF

SCHOLES Group, the electrical switch components maker, suffered a fall in interim pre-tax profits from £2.5 million to £2.3 million for the six months to end-December.

The interim dividend is being cut from 2.6p to 1.6p, which, according to Reg Harrington, the chairman, reflects "the present uncertainty in the economy, the requirements of the business and the need to improve dividend cover".



Harrington: cost-cutting

Turnover climbed from £21.9 million to £33.9 million after the £14.5 million acquisition of the Dorman Smith companies from BICC last year.

Operating profits rose to £3.5 million (£2.6 million) before interest and exceptional costs of £1.2 million. The net interest charge rose from £63,000 to £937,000. Earnings fell to 3.9p a share, against 4.6p last year.

Mr Harrington said action is being taken to further reduce the company's workforce and overheads to bring costs in line with the lower level of activity in the construction industry.

The company said it remained confident that it is "well placed to benefit from a more favourable economic climate".

Last month, Scholes announced a joint venture with Asea Brown Boveri, the Swiss/Swedish group. Mr Harrison said this showed the company's continuing commitment to investment.

He added: "The alliance is seen as a major resource for the Scholes Group in terms of product development and technical leadership, which will strengthen its UK market position and offer wider export opportunities."

The shares closed up 4p at 134p.

Empire rejects £49m bid

By GILLIAN BOWDITCH

EMPIRE Stores, the mail order group, says the £49 million bid from La Redoute, the French group, does not fully reflect its value. The Empire board is supported by Gecos, its 24.2 per cent Italian shareholder.

La Redoute launched its 125p a share bid on Monday after buying 12 per cent of Empire from Great Universal Stores, its mail order rival. That took the French stake to 37.86 per cent, forcing a bid under Takeover Panel rules.

The 125p offer compares with Friday's closing price of 97.5p and a high of 262p in the last three years. Yesterday shares rose 9p to 131p.

Martin Mays-Smith, Empire's chairman, said that while be had nothing against La Redoute the price offered was only 0.2 times Empire's £250 million turnover, whereas the price offered by Otto Versand for Grattan was 0.4 times.

"They want a chunk of the British mail order market and I do not think the price they are offering reflects the true value," he said. He added he had realised that as soon as the new management team started turning the business round, La Redoute was likely to bid.

Trinity rises to £18.2m

By JONATHAN PRYNN

TRINITY International Holdings, the Chester newspaper and packaging group in which Conrad Black, the Canadian publisher, has a 10 per cent stake, has reported a 3 per cent advance in 1990 pre-tax profits to £18.2 million.

Group turnover rose by 13.1 per cent to £134.1 million and earnings per share were up 5 per cent to 21.6p. A final 5.4p dividend per ordinary limited voting stock unit makes a total of 8p for the year, against 7.2p in 1989. The full voting shares are all held by the directors of Trinity, which is a close company.

The improvement in profits during the 52 weeks to December 29 was driven by a 28 per cent rise in operating profits in the British newspaper division. Leo Coligan, the corporate development manager, said revenue and sales for the newspapers, based in North Wales and Northwest England, had held up well until a slowdown in December that continued in January and February.

Papermaking was hit by margin pressure in the second half, though better packaging trading cushioned the division's fall. Operating profits in papermaking and packaging fell by 10 per cent to £5.4 million. North American newspaper profits were almost unchanged at £4.7 million. Earnings in the Canadian operations rose by 28 per cent but American profits were set back by the strength of sterling, the economic downturn and the loss of a large printing contract.

MAJOR INDICES

New York:	
Dow Jones	2873.02 (-56.93)*
S&P Composite	367.06 (-5.05)*
Tokyo:	
Nikkei Average	27006.66 (-140.25)
Hong Kong:	
Hang Seng	3751.40 (+27.05)
FT-SE Euro 100	1072.28 (-11.88)
Sydney: AO	1458.5 (-0.3)
Frankfurt: DAX	1546.53 (-8.32)
Brussels:	
General	5765.95 (-19.66)
Paris: CAC	471.74 (-3.97)
Zurich: SKA Gen	537.8 (-7.1)
London:	
FT-A All-Share	1197.98 (-14.22)
FT-"500"	1314.31 (-14.49)
FT. Gold Mines	149.2 (+1.8)
FT. Fixed interest	93.62 (+0.39)
FT. Govt Secs	84.28 (-0.21)
Bargains	42677
SEAQ Volume	619.0m
USM (Datastream)	136.40 (+1.27)

*Denotes latest trading price

Bundesbank chief attacks plans for swift move to Emu

By WOLFGANG MÜNCHAU, EUROPEAN BUSINESS CORRESPONDENT

Karl Otto Pöhl, Bundesbank president, launched a sharp attack on plans for swift European economic and monetary union (Emu), giving warning that Europe's economies would collapse like eastern Germany's, where unemployment is forecast to rise to 50 per cent this year.

Speaking to European parliamentarians in Brussels, Herr Pöhl said German monetary union last year was a "disaster". He said: "We introduced the Deutschmark from one day to another without practically any preparation, and I would add at a wrong exchange rate." The result was the virtual destruction of the eastern German economy.

"If you want to avoid things like that happening in Europe I think you have to aim for a very high degree of convergence," he said. Although he did not detail specific aspects of economic convergence, the Bundesbank believes these should include inflation, money growth, and most importantly budgetary policies.

In what amounts to his most hostile remarks to date on a single European currency, Herr Pöhl voiced a recent shift in the German position.

The Bundesbank's power within Germany has risen recently, as the government does not want to repeat the mistake of last year when it ignored Bundesbank advice to proceed with caution on German monetary union. The government was later forced to admit it misjudged costs of unification, and some taxes had to be raised.

WALL STREET

Dow falls 58 points

New York

BLUE chips fell sharply during the morning and by 1pm the Dow Jones industrial average had fallen 58.17 points to 2,871.78. Shares were affected by selling in the bond market, higher than expected inflation figures and the news that IBM expects first-quarter profits below analysts' estimates. Michael Metz, of Oppenheimer and Company, said: "The IBM figures raise questions about the other technology shares and the inflation figures are another disappointment. This translates into an accelerated correction."

● Tokyo — Prices closed moderately lower as the market digested Monday's 300-point advance. The Nikkei index dropped 140.25 points to 27,006.66. (Reuter)

	Mar 19	Mar 18		Mar 19	Mar 18		Mar 19	Mar 18
Corning	59⅞	60⅛	Monsanto	58	57⅞	Unilever	84⅝	85⅞
CPC Intl	78	77⅞	Moore	24⅝	25	Unisys	5⅞	5⅞
Crown Cork	63⅝	63⅝	Morgan	44⅝	45⅝	Unocal	26⅜	27⅜
CSX	35⅝	35⅝	Motorola	59⅝	61⅛	Upjohn	43	43⅞
Dana	29⅜	30	Nat Medical	45⅝	45⅞	US West	39⅝	40
Dayton-Hud	65⅞	66⅞	Nat Semi	7⅛	7⅛	Usair Gp	19⅝	20⅛
Deere	50⅝	52	Nat Service	25⅝	25⅝	USF&G	10⅝	10⅝
Delta Air	71⅝	72⅜	Navistar	3⅝	3⅝	US Life	36⅝	35⅞
Deluxe	37⅛	37⅞	NCNB	30⅝	31	UST	42⅝	42⅞
Detroit Ed	28⅞	28⅝	NCR	93⅝	93⅝	USX	30⅝	30⅞
Digital Eq	72⅝	76⅝	NED Bncp	37⅝	37⅝	Utd Tech	48⅜	48⅞
Dillard	103⅞	101⅝	Newmnt Min	37⅝	37⅞	Utd Telcm	24⅝	24⅝
Disney	121⅞	123⅞	Nwgr Mhwk	14	13⅞	VF	34⅝	34⅝
Dominion	46⅝	45⅞	Nike	47⅝	50	Wal-Mart	36⅝	37⅞
Donnelley	45⅞	45⅞	NL Indstrs	13	13	Waste Mgmt	41⅞	41⅞
Dover	39⅞	40	Nordstorm	34⅝	35	Wells Fargo	76⅝	76⅝
Dow Chem	50⅝	51⅛	North Stnn	43⅝	44⅝	Westg Elec	28⅝	28⅝
Dow Jones	24	24⅝	Norwest	24⅝	24⅝	Weyerhsr	23⅝	23⅞
Dresser Ind	25	25⅝	Nthn St Pwr	34	34⅝	Whirlpool	25⅝	26⅝
Du Pont	36⅝	36⅝	Nthn Telcm	31⅛	31⅝	Whitman	23⅝	24
Duke Pwr	28⅝	28⅝	NY Times	22	22⅝	Winn-Dixie	36⅝	36⅝
Dun Bradst	46	46	Nynex	74⅝	75⅝	Woolworth	31⅞	32⅝
East Kodak	43⅝	44⅝	Occid Petl	19⅝	19⅝	Wrigley	60⅝	60⅝
Eaton	60⅝	60⅝	Ohio Edi	18	18⅞	Wrnr-Lamb	71⅝	72⅝
Emerson El	42⅝	43⅝	Oracle Sys	8⅝	9⅝	Xerox	55	58

TRADITIONAL OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
March 18	April 5	June 27	July 8

Call options were taken out on: 19/3/91 Allied Irish Bank, Acatead, Bennett & Fountain, Bulgin 'A', Control Sec, Doctus, Expaura, Hunterprint, Ivernia West, Next, Premier, Rosehaugh, Tusker.

Puts: Buckingham Group, Doctus.

Puts & Calls: Mountleigh, Next, Sketchley, Spayhawk.

STOCK EXCHANGE PRICES

Shares drop sharply

ACCOUNT DAYS: Dealings began March 11. Dealings end March 28. §Contango day April 2. Settlement day April 8. §Forward bargains are permitted on two previous business days.

Prices recorded are at market close. Changes are calculated on the previous day's close, but adjustments are made when a stock is ex-dividend. Where one price is quoted, it is a middle price. Changes, yields and price/earnings ratios are based on middle prices.

Portfolio PLATINUM

From your Portfolio Platinum card check your eight share price movements on this page only. Add them up to give you your overall total and check this against the daily dividend figure. If it matches you have won outright or a share of the daily prize money stated. If you win, follow the claim procedure on the back of your card. Always have your card available when claiming. Game rules appear on the back of your card.

No.	Company	Group	Gain or loss
1	Lovell (YJ)	Building,Roads	
2	Hutchan Whampoa	Industrials E-K	
3	Delta	Electricals	
4	Menzies (John)	Drapery,Stores	
5	News Corp	Newspapers,Pub	
6	Woodside	Oil,Gas	
7	Whessoe	Industrials S-Z	
8	Zetters Gp	Leisure	
9	T & S Stores	Drapery,Stores	
10	Park Foods	Foods	
11	Swire Pacific 'A'	Industrials S-Z	
12	Mitel	Electricals	
13	Havelock Europa	Industrials E-K	
14	Community Hospital	Industrials A-D	
15	Scholes Grp	Electricals	
16	Broken Hill	Industrials A-D	
17	Ultramar	Oil,Gas	
18	Crosby James	Building,Roads	
19	Nat Aust Bk	Banks,Discount	
20	Logica	Electricals	
21	Davy	Industrials A-D	
22	Concentric	Industrials A-D	
23	Grainger	Property	
24	McCarthy & S	Building,Roads	
25	Brown (N)	Drapery,Stores	
26	Daejan	Property	
27	Wace	Paper,Print,Adv	
28	Molynx	Electricals	
29	Lister	Textiles	
30	Wellcome	Industrials S-Z	
31	Blenheim Gp	Newspapers,Pub	
32	Smiths Ind	Industrials S-Z	
33	Johnstone Press	Newspapers,Pub	
34	Wilding Office	Drapery,Stores	
35	Domino	Electricals	
36	Leeds	Textiles	
37	Christies Int	Industrials A-D	
38	House Of Lerose	Drapery,Stores	
39	BWI	Industrials A-D	
40	Scantronic	Electricals	
41	Bristol	Newspapers,Pub	
42	Jardine Math	Industrials E-K	
43	MS Intl	Industrials L-R	
44	Cable Wireless	Electricals	
	© Times Newspapers Ltd.	Daily Total	

Please take into account any minus signs

Weekly Dividend

Please make a note of your daily totals for the weekly dividend of £4,000 in Saturday's newspaper.

MON	TUE	WED	THU	FRI	SAT	Weekly Total

There were no valid claims for yesterday's Portfolio Platinum competition. The accumulated prize of £4,000 will be added to today's competition.

Portfolio PLATINUM

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DAILY DIVIDEND £6,000

Claims required for +39 points

Claimants should ring 0254-53272

BRITISH FUNDS

SHORTS (Under Five Years)

FIVE TO FIFTEEN YEARS

OVER FIFTEEN YEARS

UNDATED

INDEX-LINKED

BANKS, DISCOUNT, HP

BREWERIES

BUILDING, ROADS

CHEMICALS, PLASTICS

DRAPERY, STORES

ELECTRICALS

ELECTRICITY

FINANCE, LAND

FINANCIAL TRUSTS

FOODS

HOTELS, CATERERS

INDUSTRIALS A-D

E-K

L-R

S-Z

INSURANCE

Investment Trusts appear on Page 30

LEISURE

MINING

MOTORS, AIRCRAFT

NEWSPAPERS, PUBLISHERS

OILS, GAS

PAPER, PRINT, ADVERTISING

PROPERTY

SHOES, LEATHER

TEXTILES

TOBACCOS

TRANSPORT

WATER

1990/91 High	Low	Company	Bid	Offer	Ch'nge	Gross div p	Yld %	P/E
314	209	Anglian Water	205	299	-3	20.4	6.8	6.9
334	215¼	Northumbrian	322	327	-2	21.4	6.6	4.0
318	211½	North West	304	309	-4	21.0	6.9	6.7
284	190	Severn Trent	276	278	-3	19.6	7.1	4.6
300	191	Sthn Water	270	275	-5	20.0	7.3	5.9
327	203	South West	303	308	+1	23.2	7.8	4.9
315	208	Thames Water	297	301	-1	21.4	7.2	7.4
353	219	Welsh Water	333	338	-4	22.4	6.7	5.4
374	207	Wessex Water	354	359	-1	20.3	5.7	6.8
321	221½	Yorkshire Water	305	310	..	20.8	6.7	6.6
£3095	£1900	Package Unit	£3016		-£20			

● Ex dividend a Ex all b Forecast dividend e Interim payment passed f Price at suspension g Dividend and yield exclude a special payment k Pre-merger figures n Forecast earnings o Ex other r Ex rights s Ex scrip or share split t Tax-free .. No significant data.

Rentokil hits its target with 20% rise to £74m

By Wolfgang Münchau, European Business Correspondent

RENTOKIL Group, the world's largest pest control company, met its self-imposed target of 20 per cent profit growth last year with a rise in pre-tax profits from £62 million to £74.7 million in 1990.

The company, majority-owned by Sophus Berendsen, a Danish group, and one of the best performing British groups during the past decade, had a turnover of £309.1 million against a previous £279.3 million.

Most of the increase in profits came from operations in the United Kingdom and the rest of Europe. The strongest European growth came from Switzerland, the Republic of Ireland, Scandinavia and Belgium. The United Kingdom's share in pre-tax profits was up from £31.8 million to £40.1 million, while in the rest of Europe, profits rose from £15.4 million to £19.1 million.

Pest control is one of the most recession-proof businesses, and benefits strongly from increasing environmental concerns. Demand for pest control services has risen strongly, as a result of warmer winters and the growth in the rodent population. The company boasts about 250,000 customers in the UK, where it has dominant market position with a 65 per cent share.

Most of the profits came from the core business area of environment services, whose share of pre-tax profits were £65.15 million. This division comprises the pest control activities, where it is represented in more than 40 countries. The operations also include office and retail cleaning and tropical plants for retail centres, hotels and offices, as well as hygiene, medical and water services.

The other division is property services, which includes damp-proofing and office machine maintenance. The share of pre-tax profits in this division rose from £7.59 million to £9.51 million.

Net profits were up 21 per cent to £47.45 million. Earnings per share were 12.22p (10.12p), and the final dividend is 2.24p, making 3.30p (2.675p), adjusted for a share split.

German and French rates are 'on par'

By Colin Narbrough

FRANCE could match the inflation rate in Germany by the year end as the French authorities continue to cut inflation, Pierre Bérégovoy, the finance minister, said.

Regarding the Bank of France's quarter point cut in its money market intervention rate to 9 per cent on Monday, he said the objective of matching German inflation, which France has spent much of the Eighties trying to achieve, was "within our grasp."

Provisional figures show Germany's annual inflation running at 2.7 per cent in February.

M Bérégovoy said that the nominal gap in French and German interest rates of 0.7 per cent reflected the inflation differential. In real terms, interest rates were on a par.

Spending: Klaus Jacobs, who took control of Adia

Jacobs scouts around for more investments

KLAUS Jacobs, the Swiss businessman who bought a 53 per cent stake in Adia, the temporary employment group, is planning more large investments.

Herr Jacobs, a former bidder for Rowntree, says he also wants to devote more time to the Scout movement. He is vice-president of the World Scouts Foundation.

He and Asko, the German retail chain, paid Omni Holdings SFr770 million (£308 million) last week for the Adia stake. Herr Jacobs said, however, that he and Asko might not leave their stake at 53 per cent. "We believe in Adia and we would not exclude topping up our holding."

Herr Jacobs has kept a low profile since personal financial difficulties forced him to sell his controlling stake in Jacobs Suchard. Nestlé beat him in the 1988 battle for Rowntree. Speculation had grown about what he would do with the SFr2 billion received after selling Suchard and buying back some subsidiaries.

Strategic investments also include a 40 per cent interest in a hotel minibar company, and 50.1 per cent in a Swiss investment firm. *(Reuter)*

CBI criticises pay forum plans

By Philip Bassett, Industrial Editor

PROPOSALS for a new national pay forum, suggested by some trade union leaders and pressure groups, have been attacked by the Confederation of British Industry.

Unions such as the GMB general have been promoting the idea of more co-ordinated pay bargaining to reduce what they see as the damaging economic effects of Britain's highly fragmented system.

Other groups, such as the Campaign for Work, have taken the idea further by suggesting it as an alternative to rising unemployment.

Despite the rejection of similar ideas by Michael Howard, the employment secretary, the government appeared to be showing some interest in the proposal.

The CBI, however, criticised the proposals yesterday as "just words, unless they are accompanied by a joint determination to drive down pay settlements that have not been earned through raising competitive performance."

Richard Price, CBI deputy director general, told a conference in Nottingham organised by Acas, the government's conciliation service, that no union leaders were prepared to commit themselves to a level of pay increase less than the prevailing rate of retail price inflation.

"It is important that we don't return to the failed national fora of the 1960s and 1970s, with vague statements of intent and the prospect of woolly compromise," he said.

Mr Price also criticised the latest proposals from the European Commission for the setting up of works councils for firms with multi-site operations across the Community.

Competition knocks Mandarin

PROFITS at Mandarin Oriental International, the Hong Kong hotels group, declined last year because of increased competition.

The company, which is controlled by Jardine Matheson, the trading group, suffered a fall in pre-tax profits from US$61.4 million to US$51.8 million on turnover reduced from US$127.8 million to US$124 million.

The figures contain an extraordinary gain of $19.5 million, largely due to a write-back of provisions against associates and other investments.

Earnings per share slipped from 7.44 to 6.68 American cents, but the final dividend of 3.59 cents maintains the year's total at 5 American cents.

LONDON TRADED OPTIONS

Series		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
Alld Lyons	500	30	40	55	12	22	30
(*519)	550	9	21	35	40	52	57
	600	2	10	18	85	92	95
ASDA	120	13	20	22	2	4	6½
(*127)	130	7	14	15½	5½	8	11
	140	3	8½	11	12	14	15
Boots	1000	57	85	115	14	32	40
(*1028)	1050	27	55	85	37	54	67
	1100	10	35	62	75	90	97
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Series		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
Storehse	110	5½	9	13	8	12	15
(*108)	120	2	5½	9	15	18	20
	130	1½	3	-	24	26	-
Trafalgar	240	32	40	50	4½	14	20
(*265)	260	17	29	40	10	23	27
	280	8	22	31	22	34	38
Ultramar	300	33	47	53	3½	8	12
(*326)	330	12	28	35	15	19	25
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Series		Calls May	Calls Aug	Calls Nov	Puts May	Puts Aug	Puts Nov
	220	14	21	28	13	18	19
	240	6	-	-	26	-	-
RTZ	420	130	135	-	2	4	-
(*541)	460	90	97	107	5½	9	13
	500	50	67	76	13	19	24
	550	19	36	47	37	40	46
Scot New	330	66	71	-	2	4½	-
(*384)	360	40	48	55	5	12	14
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Series		Calls Mar	Calls Jun	Calls Sep	Puts Mar	Puts Jun	Puts Sep
	200	3	18	24	4	13	18
	220	1½	10	15	20	25	32
Reuter	850	40	95	120	7	45	60
(*886)	900	15	68	95	38	65	83
	950	4	-	-	75	-	-
R-Royce	140	20	25	31	½	3½	5½
(*160)	160	4	13	18	4½	9½	13
	180	1	5	9	23	24	26
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT-SE INDEX (*2460)

March 19, 1991 Total: 30499 Calls 18170 Puts 12329 FT-SE: Calls 5817 Puts 3265

*Underlying security price.

THE TIMES UNIT TRUST INFORMATION SERVICE

	Bid	Offer	Chng	Yld
ABBEY UNIT TRUST MANAGERS				
GiltFixed	111.8	118.5e	+0.1	9.70
High Inc Equity	142.4	151.4	-1.0	5.61
W'wide Bond	202.9	215.1e	..	6.97
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The prices in this section refer to Monday's trading

UNLISTED SECURITIES

1990/91 High	Low	Company	Price Bid	Offer	Ch'nge	Gross div p	Yld %	P/E
[illegible]								

MONEY MARKETS

Exchange index compared with 1985 was down at 92.0 (day's range 91.8-92.4).

STERLING SPOT AND FORWARD RATES

Mkt Rates for Mar 19	Range	Close	1 month	3 month
New Yrk	1.7825-1.8045	1.7675-1.7685	0.98-0.96pr	2.55-2.53pr
Montrl	2.0352-2.0842	2.0408-2.0459	1.74-1.58pr	0.89-0.79pr
Amsterdm	3.2583-3.3040	3.2955-3.3010	1-¾pr	2¾-2½pr
Brussels	59.90-60.48	59.99-60.23	19-14pr	45-36pr
Copnhgn	11.1889-11.2528	11.2219-11.2523	2¾-2¼pr	6¾-5¾pr
Dublin	1.0959-1.1003	1.0993-1.1003	21-15pr	54-44pr
Frankft	2.9169-2.9258	2.9209-2.9259	¾-¾pr	2¼-2pr
Lisbon	253.52-255.85	253.81-254.98	39-16pr	30-113ds
Madrid	181.34-182.25	181.52-182.28	16-25ds	65-78ds
Milan	2178.51-2187.10	2179.33-2187.10	2pr-par	2pr-par
Oslo	11.3946-11.4345	11.4039-11.4345	2¾-2¼pr	5¾-5pr
Paris	9.9374-10.0091	9.9554-9.9755	2¾-2¾pr	6¾-6½pr
Stckhlm	10.6490-10.7187	10.6889-10.6986	¾-¾pr	1½-¾pr
Tokyo	243.49-247.75	243.92-244.37	¾-¾pr	2¾-2¼pr
Vienna	20.50-20.62	20.50-20.54	6¾-5¾pr	16¾-14¾pr
Zurich	2.5155-2.5268	2.5205-2.5258	¾-¾pr	2¼-2pr

Source: Extel *Premium = pr. Discount = ds.*

OTHER STERLING RATES

Argentina austral*	16940.7-16990.4
Australia dollar	2.2906-2.2950
Bahrain dinar	n/a
Brazil cruzeiro *	406.913-407.435
Cyprus pound	0.8125-0.8225
Finland markka	6.8925-6.9525
Greece drachma	312.65-315.85
Hong Kong dollar	13.7070-13.7118
India rupee	34.36-34.76
Kuwait dinar KD	n/a
Malaysia ringgit	4.8312-4.8358
Mexico peso	5260-5390
New Zealand dollar	2.9548-2.9630
Saudi Arabia riyal	n/a
Singapore dollar	3.1083-3.1117
S Africa rand (fin)	5.7365-6.0364
S Africa rand (com)	4.7769-4.7899
U A E dirham	n/a

*Barclays Bank GTS * Lloyds Bank.*

DOLLAR SPOT RATES

Ireland	1.6000-1.6030
Singapore	1.7570-1.7580
Malaysia	2.7450-2.7460
Australia	1.3008-1.3020
Canada	1.1551-1.1556
Sweden	6.0450-6.0550
Norway	6.4700-6.4800
Denmark	6.3600-6.3700
W Germany	1.6565-1.6575
Switzerland	1.4310-1.4320
Netherlands	1.8600-1.8620
France	5.6400-5.6500
Japan	138.05-138.15
Italy	1234.9-1235.5
Belgium (Com)	33.88-34.00
Hong Kong	7.7885-7.7895
Portugal	144.00-144.20
Spain	103.05-103.20
Austria	11.66-11.68

ECGD: Fixed Rate Sterling Export Finance. Make-up day: Dec 31, 1990 Agreed rates Jan 28, 1991 to Feb 25, 1991 Scheme I: 14.54%. Schemes II & III: 15.09%. Reference rate Dec 1, 1990 to Dec 31, 1990 Scheme IV & V: 13.643%.

MONEY RATES (%)

Base Rates: Clearing Banks 13 Finance Hse 14

Discount Market Loans: O/night high: 15 Low 13 Week fixed: 13¾

Treasury Bills (Dis):Buy: 2 mth 11²⁹⁄₃₂; 3 mth 11⁵⁄₁₆. Sell: 2 mth 11²⁵⁄₃₂; 3 mth: 11⁷⁄₁₆.

	1 mth	2 mth	3 mth	6 mth	12 mth
Prime Bank Bills (Dis):	12¾-12⁹⁄₁₆	12-11¾	11¹¹⁄₁₆-11¾	11¹⁄₃₂-10¾	
Trade Bills (Dis):	13	12¾	12⁵⁄₁₆	11²¹⁄₃₂	
Interbank:	12¹¹⁄₁₆-12⁹⁄₁₆	12⁷⁄₁₆-12⁵⁄₁₆	12⁵⁄₁₆-⅞	11¾-11¾	11⁹⁄₁₆-⁷⁄₁₆
(Overnight: open 14¾, close 22¾.)					
Local Authority Deps:	12¾	n/a	12⁵⁄₁₆	11¾	11¾
Sterling CDs:	12¾-12¾	12⁹⁄₁₆-12¾	12⁵⁄₁₆-⁷⁄₁₆	11¾-11¾	11¾-11¾
Dollar CDs:	6.47-6.42	6.47-6.42	6.47-6.42	6.60-6.55	7.03-6.98
Building Society CDs:	12¾-12¾	12⁹⁄₁₆-12⁵⁄₁₆	12⁵⁄₃₂-⅞	11¾-11¾	11⁷⁄₁₆-⁵⁄₁₆

EUROPEAN MONEY DEPOSITS (%)

Currency	7 day	1 mth	3 mth	6 mth	Call
Dollar:	6¾-5¾	6¾-6⁵⁄₁₆	6¾-6⁵⁄₁₆	6¾-6⁷⁄₁₆	6¾-5¾
Deutschemark:	8¾-8¾	9¹⁄₁₆-8¾	9¾-9	9⁵⁄₁₆-9¹⁄₁₆	8¾-7¾
French Franc:	9¾-9¾	9¾-9¾	9¾-9¾	9⁷⁄₁₆-9⁵⁄₁₆	9¾-8¾
Swiss Franc:	9¾-9¾	8¾-8⁵⁄₁₆	8¹¹⁄₁₆-8⁹⁄₁₆	8¾-8¾	8-7
Yen:	8¾-8¾	8¾-8¾	8¾-8	7¾-7¾	7¾-6¾

GOLD AND PRECIOUS METALS *(Baird & Co)*

Bullion: Open $361.25-361.75 Close: $361.80-362.30 High: $364.50-365.00
Low: $361.00-361.50 Krugerrand: $361.00-362.00 (£203.50-204.50)

Sovereigns: Old $90.50-91.50 (£50.00-51.00) New $87.00-88.00 (£48.00-49.00)

Platinum: $397.35 (£223.55) Silver: $4.04 (£2.275) Palladium: $85.85 (£48.20)

LONDON FINANCIAL FUTURES

	Period	Open	High	Low	Close	Volume
FT-SE 100	Mar 91	2492.0	2487.0	2431.0	2459.0	7218
Previous open interest: 31280	Jun 91	2533.0	2535.0	2474.0	2494.0	3467
	Sep 91				2534.0	0
Three Month Sterling	Mar 91	87.79	87.82	87.73	87.78	11592
Previous open interest: 155494	Jun 91	88.04	88.60	88.47	88.54	24232
	Sep 91	88.41	88.46	88.29	88.44	2765
Three Month Eurodollar	Jun 91	93.27	93.37	93.17	93.21	4337
Previous open interest: 29328	Sep 91	93.04	93.04	92.91	92.94	510
Three Month Euro DM	Jun 91	90.84	90.88	90.73	90.80	28391
Previous open interest: 74387	Sep 91	91.07	91.12	90.97	91.05	5911
US Treasury Bond	Mar 91	95-10	95-13	94-08	94-08	388
Previous open interest: 6152	Jun 91	94-12	94-17	93-07	93-14	2395
Long Gilt	Mar 91				90-08	0
Previous open interest: 31883	Jun 91	90-05	91-04	89-31	90-15	14587
Japanese Govt Bond	Jun 91	96.22	96.22	95.92	96.00	188
Previous open interest: 370						
German Govt Bond	Jun 91	84.98	85.02	84.45	84.69	61957
Previous open interest: 82829	Sep 91	85.16	85.25	84.85	84.88	345
Three month ECU	Jun 91	90.72	90.76	90.56	90.65	408
Previous open interest: 1699	Sep 91	90.93	90.95	90.75	90.81	15

INVESTMENT TRUSTS

1990/91 High	Low	Company	Price Bid	Offer	Ch'nge	Gross div p	Yld %	P/E
[illegible]								

● Ex dividend a Ex all b Forecast dividend e Interim payment passed f Price at suspension g Dividend and yield exclude a special payment h Pre-merger figures n Forecast earnings o Ex other r Ex rights s Ex scrip or share split t Tax-free .. No significant data.

COMMODITIES

LONDON FOX

COCOA		COFFEE		SUGAR (FOB) C Czarnikow	
Mar	667-665	Mar	553-552	May	204.2-02.0
May	686-685	May	576-575	Aug	202.5-00.2
Jul	712-711	Jul	582-581	Oct	198.4-97.0
Sep	731-730	Sep	600-595	Dec	197.0-90.2
Dec	749-748	Nov	617-613	Mar	190.0-89.4
Mar	770-769	Jan	633-630	May	192.0-90.4
May	790-789	Mar	650-635		
Vol: 9512		Vol: 6935		Vol: 662	

LONDON GRAIN FUTURES

WHEAT Close (£/t)		BARLEY Close (£/t)		HI-PRO SOYA Close (£/t)	
Mar	129.15	Mar	116.30	Apr	117.0-16.0
May	131.50	May	119.00	Jun	117.0-15.5
Jun	133.65	Sep	107.50	Aug	119.0-18.0
Sep	110.65	Nov	111.35	Oct	124.0-23.5
Nov	113.60	Jan	114.65	Dec	129.0-28.0
Vol:	158	Vol:	59	Vol:	195

LONDON POTATO FUTURES Volume: 113

Apr (£/tonne)	Open: 118.5	Close: 118.5
May	148.3	146.0

MEAT & LIVESTOCK COMMISSION

Average fatstock prices at representative markets on March 19

(p/kg lw)	Pig	Sheep	Cattle
GB:	85.16	202.68	108.92
(+/-)	-0.60	*+32.77	-0.29
Eng/Wales:	85.35	204.88	108.25
(+/-)	-0.42	+34.30	+0.46
(%)	+11.2	-7.7	-15.0
Scotland:	76.53	188.12	109.65
(+/-)	-9.28	+17.66	-1.78
(%)	n/a	n/a	n/a

* Estimated dead carcase weight

LONDON MEAT FUTURES

Live Pig (/kg)

Mar	Open:	unq
	Close:	114.3
Apr	Open:	unq
	Close:	112.3
May	Open:	unq
	Close:	111.6

Volume: 49

LONDON OIL REPORTS (ICIS-LOR) - London 6.00pm:

Reports of a decline in Russian exports combined with the expectations of bullish Stats reversed the recent declines.

CRUDE OILS ($/barrel FOB)

Brent Physical	18.75	+0.50
Brent 15 day (Apr)	19.05	+0.60
Brent 15 day (May)	18.25	+0.60
W Texas Intermediate (Apr)	20.65	+0.85
W Texas Intermediate (May)	19.95	+0.75

PRODUCTS (Buy/sell $/MT)

Spot CIF NW Europe (prompt delivery)

	Bid	Offer
Premium Gas 1.5	245 (+1)	250 (+4)
Gasoil EEC	171 (+5)	173 (+6)
Non EEC 2H Mar	172 (+6)	173 (+4)
Non EEC 1H Apr	172 (+6)	173 (+5)
3.5 Fuel Oil	68 (+1)	70 (+1)
Naphtha	224 (+2)	229 (+4)

IPE FUTURES

GAS OIL

Apr	167.00-66.75	Aug	163.00-61.00
May	162.50-62.00	Sep	165.00-62.50
Jun	160.50-60.25	Oct	167.00-64.50
Jul	160.00-59.50		Vol: 4167

BRENT

Apr	19.00-19.10	Jun	17.65-17.75
May	18.20-18.30		Vol: n/a

BIFFEX

GNI Freight Futures Dry Cargo ($10/pt)

	High	Low	Close
Mar 91	1675	1669	1668
Apr 91	1470	1450	1450
Jul 91	1090	1090	1098
Oct 91	1208	1208	1208

Vol: 111 lots Open interest: 4015

Dry cargo index 1732 -14

LONDON METAL EXCHANGE

(Official) (Volume prev day) Rudolf Wolff

	Cash	3mth	Vol
Copper Gde A (£/tonne)	1328.5-1329.5	1330.0-1331.0	846800
Lead (£/tonne)	335.00-335.50	347.00-347.50	86900
Zinc Spec Hi Gde ($/tonne)	1190.0-1191.0	1190.5-1191.0	216300
Tin ($/tonne)	5480.0-5481.0	5580.0-5581.0	11500
Aluminium Hi Gde ($/tonne)	1495.0-1496.0	1528.0-1529.0	639975
Nickel ($/tonne):	8560.0-8565.0	8600.0-8610.0	14736

FOX MGMI INDEX (5pm prices)

	Bid	Offer
Apr	153.50	154.30
May	153.60	154.30
Jun	153.70	154.30
		Vol: 512

CREATIVE, MEDIA & MARKETING APPOINTMENTS

Weeklies with all to play for

Charles Wintour assesses mixed results in the ever-competitive magazine market

Can weekly magazines bloom again? Name the weekly in which the following classified advertisement appeared recently: "To love and be loved, to know and be known. Left, green, vegetarian woman, 36, unconventional beauty, seeks man who shares the above ambitions and can ride a bike. London. Please write to Box . . ."

Of course it could only be *New Statesman & Society* (£1.40), still staggering, if that is the word, from crisis to crisis. In 1988 circulation jumped from 23,000 to 47,000 after *New Statesman*'s merger with *New Society*. The last published figure was 32,000, but the current number is expected to be somewhat lower. The staff now own 51 per cent of the shares and debts have been cleared by selling its premises, but an attempt to raise an extra £400,000 from the sale of shares has so far proved unsuccessful. "We are talking to people," says Pat Coyne, the chief executive. None the less, through a drastic cost-cutting exercise the paper is currently breaking even, sometimes even making a modest profit, and Mr Coyne reckons the magazine has "a sporting chance".

When a new editor is appointed there is just a chance that the magazine might take on a new lease of life. The trouble with it now is that life viewed from the *New Statesman* offices seems so very dire. A new policy might usefully insist on more humour, a little more hope, even a little more charity.

The *Spectator* (£1.50) has not developed classified personal advertisements quite so successfully as its rival. But it has much less to worry about. Circulation, last reported at 39,000, improved by nearly 9 per cent over the previous six months, and only the advertising recession has pushed it into making a small loss, shouldered by the owners, the Daily Telegraph plc. Dominic Lawson, the editor, seeks to produce a weekly that is "intellectually stimulating and well written . . . everything stems from the writing". Indeed, scanning the review pages will convince most casual readers that they are in the presence of an exceptionally civilised and talented group of writers.

While there must be some doubt about how far good writing can carry a magazine, the editor is much comforted by the amount of attention his magazine attracts in other publications, for he receives a fat pile of press cuttings every day. Altogether it seems unlikely that the *Daily Telegraph* will have to carry the magazine much longer.

> *There must be some doubt about how far good writing can carry a magazine*

Punch (now £1.20) hit a post-war peak sale of 125,000 but dropped to 62,000 by 1987. *Punch*'s difficulties were not the fault of any particular editor but rather, as Melvyn Bragg sensibly pointed out, the gradual fading of the English club, its natural habitat. Now the editor, David Thomas, is hoping sales have bottomed out at 33,000. On his appointment Mr Thomas stated that he was looking for "a more opinionated, waspish, reportagey feel about *Punch*". He is certainly making strenuous efforts to become more topical: a special issue on the resignation of Mrs Thatcher was produced in 24 hours. The humour is patchy and sometimes surprisingly crude, but there are usually some good cartoons and sometimes some funny stunts.

Mr Thomas says recent research showed non-readers pleasantly surprised by what they found, and that advertisers were coming back into the journal. If he is as good an editor as he is a salesman, United Newspapers, the owners, need have no worries.

There are four sides to *Private Eye* (70p). Unpleasant gossip, usually of the "too good to check" variety; humour, often very funny, with some classic covers; City scandal, sometimes of importance; and finally the small ads, which are less inhibited than most ("Dorset, 49, fit married professional man seeks buxom female for mutual enjoyment and satisfaction"). Clearly this is regarded as an attractive package and the fortnightly magazine is now selling more than 200,000 copies.

The *Economist* (£1.60) quite reasonably regards itself as in a class of its own. With a worldwide sale of 450,000 and a pretax profit last year of £10 million, it is quietly building its own media empire of specialist business magazines in several parts of the world.

Clearly the recent death of the *Listener* does not mean that the weeklies as a group are in any danger. As the classified columns would say: "Professional journalist, young, fit, articulate, seeks substantial intelligent fun-loving audience with view to mutual satisfaction in lasting profitable relationship."

Keeping the circulation going: Dominic Lawson, cricketer and editor of the *Spectator*

Publishers face a serial killer

A chapter of disaster unfolds as papers cut back their spending on book rights

NEWSPAPERS were once prepared to pay vast sums for book serialisation rights. Last year the Penguin Group made one rights deal for £250,000, two each for £100,000, and one for £75,000. Now, as publishing jobs disappear on an unprecedented scale — almost 100 redundancies have been announced so far this month — many are blaming the collapse in the serials market.

"Newspapers are taking on less books, and paying less for them," says Giles Gordon, the director of the literary agency Sheil Land. "They are even negotiating down sums agreed years ago."

Lisa Eveleigh, the director of the literary agents A.P. Watt, says: "An extract on the front page of a Sunday might have commanded £5,000 until recently; now it will probably only get half that."

Publishers used to canvass newspapers on their likely price for a serialisation, before deciding how much to pay for a book. The response could be reflected in the size of the advance paid to the author, or even whether the book was bought. Pre-auction negotiations still go on, but the instances are increasingly rare.

"The mid-market tabloids seem to be paying in the low thousands, rather than the £30,000 to £50,000 of a few years ago," Mr Gordon says. "I think this is having an effect on the number of books published, and on the numbers of people employed."

Newspapers increasingly believe that they are doing the publishers a favour: Andrew Neil, the editor of the *Sunday Times*, has claimed that a book serialised in his newspaper will automatically go to the top of the bestseller list. "I didn't believe this at first, but I watched for a while, and it is true," Mr Gordon says.

There will, however, always be books which sell newspapers. Andrea Newman's *A Sense of Guilt* is believed to have done wonders for the *Daily Mail*, as have Kingsley Amis's memoirs for the *Sunday Times*. And even newspapers that say they have no money to spend are strangely silent when Mrs Thatcher's name is mentioned in an authorial context.

GERALDINE BEDELL

MEDIA WATCH

Sound of battle

NICHOLAS Owen versus Bernard Shaw: the struggle continues. After seven days in the production studios, ITN's two-hour long video, *Operation Desert Storm — Gulf War: The Complete Story*, was shipped to a duplication plant in Bournemouth earlier this month. Two days later, 40,000 copies were in the shops, selling at £9.99. ITN's video, fronted by Owen, is not to be confused with CNN's *Operation Desert Storm — The War Begins*, with Shaw at the helm. The American news station expects to appoint a British distributor shortly. The BBC says it is not producing a Gulf video.

Quote me

NEWSPAPERS that "corrected" John Pilger's grammar when they quoted from his speech accepting the Richard Dimbleby award at the Bafta Awards on Sunday can expect a letter. *The Times*, the *Daily Telegraph*, the *Guardian* and the *Independent* correctly reported Mr Pilger as saying that he hoped his award would encourage young broadcasters "not to lose faith that a dissenting voice is every bit as legitimate if not more so than one respective of authority". The *Daily Mail* changed "respective" to "respectful", although dictionaries say respective is an archaic word for respectful. The *Daily Express* went further, saying the dissenting voice "is every bit as legitimate as the one respected by authority".

Moving moments

WITH a speech from Michael Grade, the chief executive of Channel 4, the British Film Institute's Television and Projects Unit launches a weekly programme of public events on Monday at the Museum of the Moving Image on the South Bank, London. The idea is to stimulate discussion of television issues. The first public debate on April 9 tackles the impact of global news, with special reference to the Gulf. Later in April come four talks on writing for television, including a discussion on sitcom with script-writers Laurence Marks and Maurice Gran, of *The New Statesman*.

Face to face

Neil Kinnock

NEIL Kinnock, the Labour party leader, has changed his mind about appearing on London Weekend Television's *Walden* (formerly *The Walden Interview*). Courted by Walden since December 1988, Mr Kinnock has always found some good reason not to be grilled. Now, after John Major's agreement to face the Walden scrutiny on April 14, Mr Kinnock has suddenly found time to follow suit on April 28. The Liberal Democrat leader Paddy Ashdown will fill in the April 21 gap. LWT claims this will be the first occasion, outside of elections or wartime, that the three main party leaders have subjected themselves for interview by one man.

The management decade

HARDLY the right economic climate for launching a glossy business publication, one would have thought. But Tom Rubython has guaranteed advertisers a 45,000 circulation (and hopes for 80,000) for his new magazine, *Management Week*, to be launched next week. Mr Rubython's partner in the venture is Paul Judge, the former head of Premier Brands. The management guru Tom Peters and the former ICI chairman Sir John Harvey-Jones are on board as regular columnists.

ANDREW LYCETT

CREATIVE, MEDIA & MARKETING APPOINTMENTS

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Private: 071-481 4000

LA CRÈME DE LA CRÈME

Fax Numbers:
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...It's late & you had to come back in to greet *Jason Donovan personally, he's on soon & he* left his script behind ...whilst you're sorting this out, the Chairman rings up & asks you to take down a statement for the Press. The next day ...ring, ring, it's the Express, they want to know if you've a story for them, a paraphernalia of T-shirts and Press Releases surround you but you've got to get to the Post (answering most of it yourself) ...the phone goes again, thank goodness your job isn't much typing, more organising, even so you're pretty glad of your 90 shorthand and 50 typing for emergencies! If you are 20 to 25, can handle the pace, call us fast - it's one in a million!

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We are seeking experienced legal secretaries at Partner level in various departments including Commercial and Property.

Candidates should be prepared to work at a fast, accurate pace throughout the day, and should display ability to progress matters in Partner's absence. You will be working in an invigorating and dynamic atmosphere and will be expected to demonstrate total commitment to the firm's development.

If interested, please apply in writing to Ann Lemon, Personnel Officer, S J Berwin & Co, 236 Grays Inn Road, London WC1X 8HB; all applications will be treated in strictest confidence.

SJ Berwin & Co

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American law firm seeks experienced secretary for small office. Fast, accurate typing, Wordperfect experience and good telephone voice and manner required.

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c£13,000 + Excellent Benefits

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You will enjoy a full range of secretarial duties within a friendly, professional office - diaries, travel arrangements, correspondence and telephone liaison +++.

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Telephone: 058075 3027 8.30 a.m. to 8.30 p.m.
S.M.S. Rec. Cons.

SECRETARY TO M.D. GREENWICH

c£14,000 + Excellent Benefits
You are the vital link!

Your Brief is to assist the M.D. - correspondence travel itineraries, diary etc., whilst providing a first class secretarial service for his P.R. Executive and New Business Consultant. Confidence and personality are the order of the day as you organise conferences, liaise with journalists and clients. This is a Communications company operating under the auspices of a major corporate concern, thus enabling you to enjoy the generous benefits that a large organisation can offer.

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media

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The young, dynamic marketing manager of this exciting TV company is looking for a secretary/assistant.

You will be involved in market research, direct client liaison and will help to produce promotional videos and other literature.

Initiative, excellent organisation skills and at least 1 years secretarial experience are essential to enable you to handle your own projects.

A lively, confident personality, bags of enthusiasm and an ability to work under pressure are required to take full advantage of this excellent career opportunity.

60 typing. £12,000
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£27,000 package +++

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...your boss is the senior figure within M & A at a leading US Investment Bank. He works at lightning speed and you must always be one step ahead to organise his hectic day and plan his personal diaries.

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PROPERTY BUYERS' GUIDE

LONDON PROPERTY

Continued on next page

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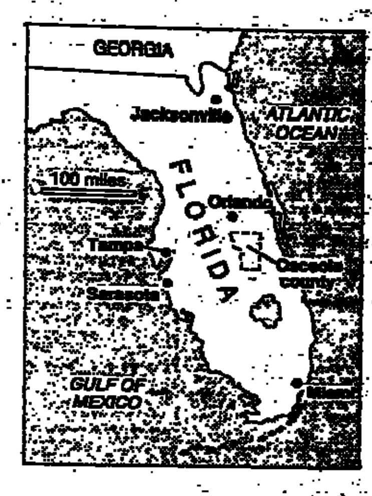
[illegible]

Florida lures Britons with lower prices

There are good buys to be had in the sunshine state, where the US recession has resulted in a property glut, Diana Wildman reports



With the European market for leisure homes firmly in recession, and the pound remaining strong against the US dollar, developers in Florida are hoping that British buyers will return to the United States.

The recession in America has resulted in a glut of property for sale in Florida, so asking prices there are reasonable compared with Europe. This, however, means that resales are particularly difficult, making quick profits almost impossible. Buyers are also unlikely to get enough in rent to cover mortgage payments.

Taylor Woodrow, the British builder, has three schemes in Florida. The biggest is the 1,600-acre Meadows Country Club at Sarasota on the Gulf of Mexico, on which it has been working for the past 14 years. Golf is the main activity here and the Meadows has three 18-hole courses. Other sporting facilities include a 16-court tennis centre.

The company plans to build 4,000 homes, of which 3,600 have been built and sold. Roger Postlethwaite, the deputy chairman of Taylor Woodrow Homes, says the scheme will be completed in two years. Sales so far have been mainly to the US market, but 15 per cent of owners are British. "Most of these are looking for a holiday home they can let, with the thought of eventual retirement of six winter months in Florida and the summer in Britain," Mr Postlethwaite says.

The apartments and villas are being built in small groups, separated by golf courses, and many of the homes can be ordered with individually specified interiors.

Mr Postlethwaite adds: "We build detached homes in small villages of about 30 units, which usually have two to four bedrooms and cost between £90,000 and £220,000. About 70 per cent of buyers choose to have a swimming pool, which costs a further £8,000 to £10,000."

The two to four bedroom apartment villages are built in groups of 60 to 100 units and overlook either a golf course or a lake. Some apartments have garages and there is a communal pool. Prices are between £50,000 and £60,000. Single-storey attached villas, which have two bedrooms and two bathrooms, cost £60,000, and three-bedders £110,000.

About half the Meadows properties are permanently occupied, mostly by retired people, who spend at least eight months there. For those who want to let their homes, Taylor Woodrow runs an on-site management and rental company, although it is rare to be able to let any property for less than a month.

At Tampa, 60 miles north of Sarasota, Taylor Woodrow is building 257 detached two to four-bedroom bungalows on Windsor Park, a 150-acre development started two years ago. Eighty homes are completed and sold. The buyer chooses a quarter-acre plot, then selects one of six different floor plans. Prices are from £65,000 to £95,000.

The company's latest scheme is four miles east of Jacksonville, midway between the town and the Atlantic coast, and within the 800-acre Jacksonville Golf and Country Club estate. Three show houses are complete and 97 detached houses are planned. Since the scheme was launched last September, six plots have been sold, and the houses will be completed within five months. This is mainly a family development, but the homes will also suit the retired or semi-retired who need space for visitors. Details: Taylor Woodrow Homes, Hadfield House, Adrienne Avenue, Southall UB1 2QZ (081-578 5757).

☐ The Phoenix Group of Florida, represented in Britain by TDI Property, in Sawbridgeworth, Hertfordshire, is developing five sites within a 30-minute drive of Walt Disney World in Osceola county, an area not restricted by the 28-day minimum rental period for holiday homes, a regulation enforced in most parts of Florida.

One development, Canoe Creek Woods, is 30 minutes south of Orlando airport, and west of Disney World. About 200 plots are available and the minimum rental period is seven days. Geared towards family living, the scheme includes varied sports facilities. Nearby is a replica of a turn-of-the-century Florida town, with more than 70 restaurants, speciality shops and other tourist attractions. The Atlantic coast is a half-hour drive away.

Detached homes of two, three and four bedrooms, with at least two bathrooms, cost from £47,500 to £76,200, and include a double garage and, in some cases, a pool. Details: TDI Property, Pishiobury, Sawbridgeworth, Hertfordshire CM21 0AF (0279 600112).

☐ Florida Homes (UK) says that most Britons look for properties costing about £50,000. The company has a selection of two-bedroom apartments on the golf course at Ventura, a 500-acre leisure scheme in Orlando. Three-bedroom houses with views of the lake cost £60,000. Details: Florida Homes (UK), 39 Cambridge Place, Hills Road, Cambridge CB2 1NS (0223 355855).

Sunny living: a three-bedroom house at Canoe Creek Woods, south of Orlando airport, where houses sell from £47,550 to £76,200

Extended life for a home

Careful refurbishment or adding an extension can increase the value of property and avoid the need for a move. Nicole Swengley reports

Thanks to high interest rates and a stagnant housing market, home-owners are upgrading and extending their properties instead of moving. Careful refurbishment – especially to period homes – can add value to a property. Potential home-improvers may find inspiration at the Ideal Home Exhibition, at Earls Court, west London.

Jim Hodkinson, the chief executive of B&Q, the do-it-yourself chain, says: "There is a tendency to spend more on existing homes. The conservatory market, for example, is growing fast and indicates a desire for more living space, which is frustrated when people, especially with young families, can't move up the housing ladder."

For anyone trying to sell, tackling small DIY jobs around the home can make all the difference, according to Christopher Roupell of Winkworth's Kensington office. "It isn't only larger improvements, like updating a bathroom or kitchen, which will help sell a home, it's smaller jobs like re-plastering uneven walls and replacing ill-fitting shelves. Building extra cupboards is always useful and we've recently noticed a trend for stripping, sanding and varnishing wooden floors."

Restoring architectural features – fireplaces, panelling, windows, decorative brickwork and tiling – to a property's original style pays dividends when trying to sell. For those who shrink from DIY, there are hundreds of specialists who will tackle tricky tasks such as re-tiling, renewing stair banisters or re-plastering. Check examples of work before employing anyone.

According to estate agents, some jobs may not be worth the cost or effort. While an additional bathroom, garage, loft conversion or conservatory may enhance a property's value, specialised improvements such as adding a tennis court or building a wine cellar will only be attractive to like-minded buyers. They also advise anyone considering a swimming pool to build indoors, rather than outside, despite the extra expense. With major refurbishments such as kitchens or bathrooms, the recommendation is to keep a neutral tone.

An independent surveyor can give impartial advice on the value of your home with and without an envisaged extension. The Royal Institution of Chartered Surveyors information office (071-222 7000) can locate a local expert. A valuation costs around £80.

For advice about structural alterations, contact the building control office of your local council. *Planning: A Householder's Guide*, an environment department publication, explains when planning permission is needed.

Names of qualified local architects and surveyors are available from the Incorporated Association of Architects and Surveyors, Jubilee House, Billing Brook Road, Weston Favell, Northants NN3 4NW (0604 404121). The Royal Institute of British Architects (RIBA), 66 Portland Place, London W1N 4AD (071-580 5533) recommends suitable architects.

If you use a builder without an architect, find someone recommended locally. Ask to see examples of his work, and check his references. Never pay in advance, and get a written agreement.

The Federation of Master Builders, Gordon Fisher House, 14-15 Great James Street, London WC1N 3DP (071-242 7583) supplies lists of members and operates warranties. Free booklets, *Property Doctor* and *What Will It Cost?*, are published by the Royal Institution of Chartered Surveyors, Surveyor Court, Westwood Way, Coventry CV4 8JE.

Ideas for bathrooms and kitchens, wall and floor coverings, heating and home security may be sparked at the Building Centre, 26 Store Street, London WC1E 7BT (071-637 1022). Skilled workmen (painters, decorators, stone masons, for example) can be recommended by the Building Employers Confederation, 82 New Cavendish Street, London W1M 8AD (071-580 5588).

Anyone with roofing problems should contact the National Federation of Roofing Contractors, 24 Weymouth Street, London W1N 3FA (071-436 0387), which supplies regional lists of approved members. The Institute of Plumbing's business directory of registered plumbers is available at most libraries and Citizens Advice Bureaux. Or write to the IOP, specifying your area, at 64 Station Lane, Hornchurch, Essex RM12 6NB (04024 72791). The National Association of Plumbing, Heating and Mechanical Services Contractors, Ensign Business Centre, Westwood Way, Coventry CV4 8JA (0203 470626), lists local members.

The Electrical Contractors Association, ESCA House, 34 Palace Court, London W2 4HY (071-229 1266), lists members who have passed its quality test. From the same address, the Heating and Ventilating Contractors Association (071-229 2488), supplies lists of local members and guarantees home heating work for a year.

A list of recognised installers can be supplied by the National Cavity Insulation Association, PO Box 12, Haslemere, Surrey GU27 3AH (0428 654011). From the same address and telephone number, the Draught Proofing Advisory Association supplies lists of local contractors. The Glass & Glazing Federation is at 44-48 Borough High Street, London SE1 1XB (071-403 7177).

The Interior Decorators and Designers Association publishes a leaflet, *Should I Use An Interior Designer?*, and the *IDDA Directory*. Both are free from the IDDA, Crest House, 102-104 Church Road, Teddington, Mddx TW11 8PY (081-977 1105). For specialist craftsmen, such as carpenters and joiners, contact the Guild of Master Craftsmen, Castle Place, 166 High Street, Lewes, East Sussex (0273 478449).

GOLDEN RULES FOR HOME IMPROVERS

- Remember to comply with building regulations
- Ensure listed building consent is obtained if necessary
- Check with your local planning officer about planning permission
- Secure at least two estimates before going ahead with any job
- Talk to people who have had similar work done to assess the likely upheaval
- Employ qualified professionals and see examples of their work first
- Call in a structural engineer if you are planning a loft extension
- Don't skimp on materials and small details. It may cost more but the result will be better and will enhance the value of your property
- If you are planning to add to a leasehold flat remember you will need written agreement from the freeholder and planning permission

DENZIL McNEELANCE

Master craftsman: Ron Woods, of G Jackson & Sons, models a panel

Market pins hopes on 1992

Despite the slump, optimism from the service industries still makes property an investment for gamblers. Christopher Warman reports

Business confidence has suffered in the past six months as the recession has continued to affect the property market, Jones Lang Wootton reports in its latest property confidence review. However, the economy has not affected property demand as adversely as business confidence in general, the agent concludes.

The research for the twice-yearly report was done in January, before the end of the Gulf war and the fall in interest rates. Mike Koudra, a Jones Lang Wootton partner, says that although the businesses surveyed reported they were generally less confident about the next six months, they saw 1991 as the lowest point of the recession and expected improvements in 1992.

The review, covering the southeast, was based on interviews with 650 businesses, employing more than 620,000 office workers and occupying nearly 95 million sq ft.

Only 18 per cent said they were more optimistic about the next six months, compared with 36 per cent in last July's survey. This drop in confidence affects all business sectors. Insurance companies, however, showed a greater proportion with more confidence (16 per cent) than with less confidence (14 per cent).

A more optimistic view of the future comes from David Ormerod, the managing director of Legal & General Property. He says in the company's bulletin, *Outlook*, that there is little prospect of immediate relief for the market's ills, but emphasises that the inherent investment strength of property presents opportunities for buyers taking the long-term view.

Offices waiting for demand: an artist's impression of Bull Wharf, next to Queenhithe Dock in the City, a Beaver House Properties development that has full planning permission. The building, designed by the Fitzroy Robinson Partnership, will provide 240,000 sq ft of air-conditioned offices round an atrium with views over the Thames. Beaver House is a wholly owned subsidiary of Markborough Properties, of Toronto, Canada, that develops, owns and manages properties in Canada, the United States and Britain

Mr Ormerod says the long-term benefits of property investment still apply, but individual portfolios will have to be adjusted to make them perform in the short to medium term.

He says: "It is significant that the gap between the long gilt and property yields has narrowed dramatically. At prevailing yield levels, selective purchases are attractive and, while pension funds were net disinvestors in the third quarter of last year, it is worth noting that life funds invested some £340 million."

Jones Lang Wootton's report, however, says that the only businesses expecting to increase office staff during the next year are those in professional services, while all other sectors predict they will reduce numbers.

Most of the job losses are expected to be across all levels and departments, although some employers, particularly in foreign banking, said they will result from the closure of particular departments and the streamlining of office operations.

Office employment is expected to fall by 2.1 per cent during the next year in the southeast, compared with a forecast increase of 0.3 per cent in the previous survey. The most commonly stated reason for job losses is the slowing of business because of the recession, leading to reorganisation, cost-cutting and natural wastage, but some employers report staff losses through relocation.

The electronics sector appears likely to be hit hardest, expecting a fall of nearly 9,000 jobs in the next 12 months. These businesses are gaining fewer orders and facing increasing price competition for their products. They have reacted with cost-cutting and restructuring programmes to improve efficiency.

Twenty four per cent of the businesses interviewed expect to take office space in the near future, compared with 32 per cent six months previously. Although the percentage of the need for more office space because of business growth has fallen in the past year, the survey notes that expansion is the main reason given for requirements in 41 per cent of cases, despite the recession.

The City of London remains the most popular location, accounting for 39 per cent of demand, although it was 44 per cent six months ago. Space preferred in the rest of London has increased from 16 to 28 per cent. Of this, nearly half is sought in London Docklands by companies intending to move from central London.

IN THE MARKET

A tower at £10 a foot

SOUTH Quay 3, the biggest vacant building in London Docklands outside Canary Wharf, is Europe's most competitively priced new office building, its owner, Wyn-Ro Properties, claims. The 210,000 sq ft, 14-storey building, a victim of the property slump, was acquired from the receivers Ernst & Young, and is to be let from £10 a sq ft. The offices, which are being improved, are fully air-conditioned, and have raised floors and suspended ceilings. There are 193 car spaces. The agent, Savills, believes South Quay 3 will prove to tenants that the market has bottomed out.

Shelling out

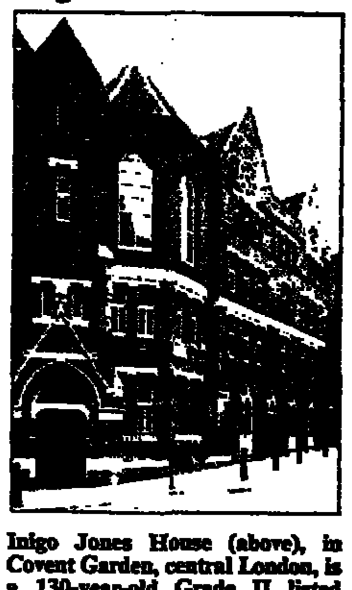
TAYLOR Woodrow Developments has pre-sold its top-specification 55,800 sq ft scheme at West Street, Brighton, to the locally based Family Assurance Society at a price reflecting a rent of slightly more than £20 a sq ft. This makes the deal one of the biggest in the town's commercial property market in recent years.

Park grows millions

COORDINATED Land & Estates is to sell most of its Clydebank business park near Glasgow to the Laser Richmount (Glasgow) 1991 Trust for nearly £19 million. The trust is to buy two speculative office developments, Blair Court and Stirling House, and two buildings pre-let to Clydesdale Bank. The rents are £12 a sq ft through Richard Ellis and St Quintin.

Tom King, Coordinated's managing director, says that, as Glasgow rents are nudging £20 a sq ft, Clydebank business park is gaining popularity with tax investors and occupiers. Coordinated is also developing the 55,000 sq ft Dunrobin Court at the park and marketing it to tax investors seeking investments of between £105,000 and £500,000.

Inigo's corner



Inigo Jones House (above), in Covent Garden, central London, is a 130-year-old Grade II listed building in an ecclesiastical style. The 5,500 sq ft building, on the corner of Garrick Street opposite the Garrick Club, is now owned by the Thorn EMI Pension Fund, which has restored the brick façade and arched stained-glass windows and is asking £35 a sq ft through Joiner Cummings.

Law Report March 20 1991

Gambling club can sue on dishonoured cheque

Crockfords Club Ltd v Mehta
Before Mr Justice Henry
[Judgment March 14]

A licensed gaming club could sue on an underlying loan when cheques which had been exchanged for gaming tokens in accordance with section 16 of the Gaming Act 1968 were dishonoured.

Mr Justice Henry so held in the Queen's Bench Division in a reserved judgment in open court after a hearing in chambers on an Order 14 summons brought by the plaintiff, Crockfords Club Ltd, against the defendant, Prakash Mehta for £245,000 plus interest.

Mr Stephen Phillips for the plaintiff; Miss Susanna Fitzgerald for the defendant.

MR JUSTICE HENRY said that when the defendant attended Crockfords on October 4 and 5, 1990 he needed credit to obtain chips. The only credit a casino could give was that defined in section 16(2) of the 1968 Act, that is, that the cheque was not post-dated and that it was exchanged for cash to an amount equal to the amount for which it was drawn.

The cheques were signed by the defendant on an account in the name of Logcroft Holdings Ltd, a Panamana company which had not been served and which did not appear.

The defendant lost the entire sum over the two nights and the company cheques were dishonoured.

The legal analysis of the transaction put forward by the plaintiff was that they lent money to the defendant to enable him to take part in gaming and they accepted the cheques as conditional repayment.

The defence was that the plaintiff's only remedy lay against the company based on the contentions, *inter alia*, that (i) if there was a loan to the defendant, the company cheque was accepted in complete satisfaction and (ii) if the loan was to the defendant it was unenforcable as it amounted to the giving of credit to enable the defendant to participate in gaming which credit did not comply with section 16(2) of the 1968 Act.

Where a transaction occurred with the giving and acceptance of a cheque, ordinarily the cheque was conditional satisfaction. If the defendant wanted to show that the cheques were taken in absolute satisfaction, the onus was on him.

The defendant contended that the effect of section 16(2) enabled the plaintiff to succeed in an action against the company on the cheque but not to sue on the loan. The issue was whether section 16(2) permitted an action against the defendant on the loan.

Miss Fitzgerald's construction of section 16 ran as follows: section 16(1) made it unlawful and criminal to given any loan or credit to enable anyone to take part in gaming, subject to subsection (2).

Subsections (2) and (4) permitted and validated credit given by cheque and it was only an action on the cheque which was allowed. Therefore, the plaintiff could successfully sue the company on the cheque but could not sue the defendant on the loan.

The difficulty with that argument was exposed when tested against the situation where a gambler obtained chips with his own cheque. According to Miss Fitzgerald there was no offence by obtaining the chips with the cheque but there was still a breach of section 16(1) in making the loan for which the cheque was conditional payment.

Miss Fitzgerald contended that all subsection (2) permitted were cheques which were absolute repayments. If that was the true intention of Parliament the statute would have said so. The absence of any such express condition was fatal to Miss Fitzgerald's contention.

Solicitors: Lovell White Durrant; Mullinger Banks, East Ham.

Confidentiality of wardship files

In re X, Y and Z (Minors)

Under the wardship jurisdiction, relatives, reporting officers, social workers and other professional people who provided reports were underpinned by an assurance of confidentiality which was an aid to candour. They could be inhibited from exercising that openness if it was thought that parties in collateral public litigation were afforded the right to search the wardship files.

Mr Justice Waite so stated in a Family Division judgment, delivered in chambers on March 14 and reported with his Lordship's consent, dismissing an application by a newspaper seeking leave, subject to undertakings to preserve confidentiality, to have access to wardship court files with a view to drawing up a list of documents and then seeking leave to disclose them in a libel suit.

HIS LORDSHIP said that the mere status of being a ward of court did not confer on the child the right to have his affairs cloaked in secrecy.

The privilege of confidentiality was that of the court and the primary purpose of the privilege was to protect the court in the exercise of its paternal functions.

Relatives, reporting officers and social workers had become accustomed to an assurance of confidentiality as an aid to candour and might be inhibited from exercising that openness in future if it were to be thought that a wide ranging facility was afforded to third parties in collateral public litigation to search files in which evidence would be given in the expectation of confidentiality. The familial jurisdiction would suffer if the appliction were to be granted.

The application had to be judged in the light of the proposed facility for inspection and disclosure upon the public interest in the administrative of justice in the libel action.

It was the duty of the party seeking disclosure to set out in precise terms what documents he already had, what other documents in the same category he believed to be in existence (including grounds for that belief) and to make a clear statement as to the extent to which justice would be at risk if access to the undisclosed material was denied.

Without any real attempt at precision the applicant claimed for a vast range of documents a relevance too widely asserted to enable the court to be satisfied that justice would be hindered or assisted in the libel action if the material were omitted or included.

The application was too wide ranging and potentially too disruptive and was dismissed.

Procedure for appeals from district judges

Practice Direction: Appeals from District Judges

The procedure for expediting the hearing of appeals in Queen's Bench Division matters from district judges on all circuits was set out in a practice direction handed down by Lord Lane, Lord Chief Justice, sitting in the Queen's Bench Divisional Court with Mr Justice Roch and Mr Justice Morland on March 15. The procedures were to apply from April 9.

The LORD CHIEF JUSTICE said:

1 In order to ensure that a complete set of papers in proper order was available for perusal by the judge before hearing such appeals, the parties in advance of the hearing had to lodge in the civil listing office of the trial centre concerned a bundle properly paged in order of date and indexed, containing copies of the following documents: (i) the notice of appeal; (ii) the pleadings, if any; (iii) copies of all affidavits (together with exhibits thereto) upon which any party intended to rely; (iv) any relevant order made in the action; (v) notes (if any) of reasons given by the district judge, prepared by the district judge, counsel or solicitors.

The bundle was to be agreed. The originals of all affidavits intended to be relied on were to be bespoken or produced at the hearing and all exhibits thereto were to be available.

2 Where a date for hearing had been fixed, the bundle had to be lodged not later than three clear days before the fixed date. For appeals where there was no fixed date for hearing, the bundle had to be lodged not later than 24 hours after the parties had been notified that the case was to appear in the warned list or, if that was not possible, it had to be lodged as soon as practicable thereafter.

3 Except with leave of the judge, no document could be adduced in evidence or relied on unless a copy of it had been lodged and the original bespoken as aforesaid.

4 In cases of complexity a skeleton argument or, where that would be helpful, a chronology should be lodged at the same time as the bundle.

Judge should have given reasons for allowing amendment

Adam and Another v Hemming

A judge sitting in chambers acceding to a plaintiff's request to amend her writ by adding a new cause of action after a disgraceful period of inexcusable and inordinate delay should include in the judgment his reasons for allowing the amendment.

The Court of Appeal (Lord Justice Ralph Gibson sitting with Mr Justice Scott Baker) so stated on March 8 in dismissing an appeal by the defendant from Mr Patrick Bennett, QC, who, sitting as a deputy judge of the High Court in January 1990, granted leave to the plaintiff, Mrs Joyce Adam, to amend a writ of summons so as to include a claim for damages for personal injuries against the defendant, Mr Eric John Hemming.

LORD JUSTICE RALPH GIBSON said that it was not clear from what the deputy judge said what relevance he attached to the delay which had occurred and whether he regarded prejudice to the defendant as having been established.

Although it could not be expected that giving judgment in chambers the judge would explain the whole process of his reasoning, it was necessary for him to make it clear what his conclusions were on the issue of delay.

The judge had failed to do so and thus the court had had to consider the matter afresh without regard to his decision on the matter.

Insurance intermediary's duty

Harvest Trucking Ltd v Davis

The duty of care encumbent on an insurance intermediary was similar to that on a broker and included the duty to ensure that the assured was made aware of any new and onerous or unusual terms which were conditions precedent to recovery under the policy.

Judge Diamond, sitting as a deputy judge of the Queen's Bench Division, so held on February 15 when giving judgment in favour of Harvest Trucking Ltd, the plaintiff in an action for damages for the negligence of Peter Davis, the defendant, in failing, as an insurance intermediary, to bring to the plaintiff's attention the nature and implications of a new and onerous clause introduced into his existing insurance cover.

HIS LORDSHIP said while the defendant was not a broker under the terms of the Insurance Brokers Registration Act 1977 he performed essentially the same function and was a member of the British Association of Insurance Intermediaries.

The code of practice of the association, while not statutory, showed the standards which applied were not considered unrealistic in the industry. It was beyond argument that the defendant had a significant duty to explain all essential provisions of the cover.

European Law Report — Luxembourg

Ecological considerations in coastal protection

Commission of the European Communities v Federal Republic of Germany (supported by United Kingdom, intervener)
Case C-57/89
Before G. Due, President and Judges G. F. Mancini, T. F. O'Higgins, G. C. Rodríguez Iglesias, M. Diez de Velasco, Sir Gordon Slynn, C. N. Kakouris, R. Joliet, F. A. Schockweiler, F. Grévisse and M. Zuleeg
Advocate General W. van Gerven
(Opinion December 5, 1990)
[Judgment February 28]

Measures taken by a member state which resulted in a reduction in the extent of a special protection area could be justifed only on exceptional grounds corresponding to a general interest which was superior to the general interest represented by the ecological objective of the directive on the conservation of wild birds and such measures were to be confined to a strict minimum, involving only the smallest possible reduction of the special protection area.

The Court of Justice of the European Communities so held in rejecting an application byt he Commission for a declaration that by planning or undertaking works detrimental to the habitant of protected birds in special protection areas, contrary to article 4 of Council *Directive 79/409/EEC of April 2, 1979*, on the conservation of wild birds (OJ 1979 No L103, p1), the Federal Republic of Germany had failed to fulfil its obligations under the EEC Treaty.

The Commission's application related to certain dyke building operations carried out in the Leybucht, north-west Germany, which, according to the Commission, disturbed birds which enjoyed special protection under article 4(1) of the directive and damaged the habitat which had been designated as a special protection area.

According to the Commission, both the construction work in the Leybucht and its results entailed deterioration in the living conditions of protected birds and the loss of land areas of considerable ecological importance, thereby leading to lower population densities for some of the species of birds listed in Annex 1 to the directive, in particular the avocet.

According to the German Government, the sole purpose of the operations was to secure the safety of the dyke. During the planning stage of the project, the competent authorities had taken account of all bird conservation requirements and balanced them against the requirements of coastal protection. It added that the Commission had not furnished any evidence at all that the measures at issue significantly impaired the protection of those birds.

In its judgment, the European Court of Justice held as follows:

With regard to the boundaries of the special protection area in question, it had to be pointed out that the boundary of the Leybucht was defined by the rgulation creating the national park and the maps appended thereto.

Although the plan of the area did include a reference to the regional planning scheme, the legal measure designating the special protection area nevertheless set out its precise territorial delimitation, constituted by the present line of the dyke. *The displacement of the dyke* towards the sea as part of the coastal defence project thus entailed a reduction in the protected area.

Consequently, in order to resolve the present dispute, it was necessary to determine whether, and if so, under what conditions, the member states were authorised to reduce the size of a special protection area and in what circumstances other interests might be taken into account when a decision of that kind was taken.

With regard to the powers of the member states to review in that way the decision to classify an area as a special protection area, it had to be stated that a reduction in the geographical extent of a protected area was not expressly envisaged by the terms of the directive.

Although the member states did have a certain discretion with regard to the choice of the territories which were most suitable for classification as special protection areas pursuant to article 4(1) of the directive, they did not have the same discretion under article 4(4) in modifying or reducing the extent of the areas, since they had acknowledged in their declarations that those areas contained the most suitable environments for the listed species.

If that were not so, the member states could unilaterally escape from the obligations imposed on them by article 4(4) with regard to special protection areas.

That interpretation of article 4(4) was borne out, moreover, by the ninth recital in the preamble, which underlined the particular importance which the directive attached to special conservation measures concerning the habitats of the birds listed in order to ensure their survival and reproduction in their area of distribution.

It followed that the power of the member states to reduce the extent of a special protection area could be justified only on exceptional grounds.

Those grounds had to correspond to a general interest which was superior to the general interest represented by the ecological objective of the directive. In that context, the interests referred to in article 2 of the directive, namely economic and recreational requirements, did not enter into consideration. That provision did not constitute an autonomous derogation from the general system of protection established by the directive.

With regard to the reasons put forward in this case, it had to be stated that the danger of flooding and the protection of the coast constituted sufficiently serious reasons to justify the dyke works and the strengthening of coastal structures as long as those measures were confined to a strict minimum and involved only the smallest possible reduction of a special protection area.

With regard to the part of the project concerning the Leyhörn area, the line of the dyke had been influenced by considerations relating not only to coastal protection, but also to the concern to ensure that fishing vessels from Greetsiel had access to the harbour.

In the light of the principles for the interpretation of article 4(4), taking account of such an interests was in principle incompatible with the requirements of that provision.

However, that part of the project had at the same time specific positive consequences for the habitat of birds. Once the works were completed it would be possible to close two navigation channels which crossed the Leybucht, with the result that the Leybucht would be left in absolute peace.

The desire to ensure the survival of the fishing port of Greetsiel could thus be taken into account in order to justify the decision on the line of the new dyke because there were the above-mentioned offsetting ecological benefits, and solely for that reason.

Finally, the disturbance arising from the construction work itself did not exceed what was necessary to carry it out. Information concerning the number of avocets in that sector of the Wattenmeer showed that during the period in question there had been no significant change in population trends or that species.

On those grounds the European Court:
1 Dismissed the application.
2 Ordered the Commission to pay the costs, including the costs of the intervener and those relating to the application for interim measures.

Christmas Holly to spark treble for in-form Niven

By MANDARIN
(MICHAEL PHILLIPS)

PETER Niven, who is already enjoying his best season, looks the jockey to follow at Kelso today, when he has sound prospects of landing a treble on Christmas Holly (2.45), San Pier Niceto (3.15) and Snowfire Chap (3.45).

Mary Reveley, the successful Saltburn trainer who has been his principal provider, also looks like cashing in again with Christmas Holly and Snowfire Chap.

Christmas Holly, who is my choice to win the Potterton Myson Novices' Chase, made a successful albeit belated start to the season at Hexham last Thursday when he outstayed Sweet City and Cornet.

As the trainer of Sweet City, Gordon Richards will be only too well aware of what he is now taking on with Lothian Captain, who made a successful chasing debut at Newcastle last Saturday, having won twice over hurdles last autumn on today's course. Christmas Holly was the better hurdler though and, what is more, he is a fresh horse; not an insignificant factor at this advance stage of the season.

The handicapper has certainly given Snowfire Chap a clear chance of winning the King's Own Scottish Borderers Challenge Cup.

When last seen on the same Scottish track early in February, he failed by only a neck to given 7lb to Radical Lady, whom he will be meeting on 5lb better terms now.

The form of that race has worked out well since both Radical Lady and What About Me, the third, have won since. Furthermore, Snowfire Chap was not discredited in his only subsequent race when he was third behind Farm Week and Dunraven Royal, a winner since, at Nottingham.

San Pier Niceto, who was a model of consistency before finishing only sixth at Southwell in January, can become the middle leg of Niven's treble by capturing the Cross Keys Novices' Hurdle. Apparently, the inability to act on that all-weather surface was not the reason for that below par performance. A virus, which was wreaking havoc with Michael Hammond's horses at the time, was.

Mrs Reveley's own hopes of completing a treble rest with Stormy Dreams, who will be ridden by her good conditional jockey Bob Hodge in the March Bumper National Hunt Flat race.

While having the utmost respect for Stormy Dreams, who won a similar race nicely enough at Ayr in January, I still prefer to go nap on Favoured Victor.

To suggest that he was not bred with these races in mind would be understating the case, since he is by Diesis out of a mare by Nijinsky.

With a pedigree like that, it was hardly surprising that he cost Khaled Abdulla $215,000 as a yearling. However, £5,000 was all that the Saudi prince received when he sold Favoured Victor last year after he had failed to make the track during two seasons in training.

For Kevin Morgan, his present trainer, Favoured Victor was an impressive winner first time out at Market Rasen 12 days ago and, if all goes according to plan today, he will then contest the valuable bumper at the Grand National meeting next month.

At Southwell, World's Creation (3.10), a course and distance winner already this year, can become Barry Hills's first winner since he returned to his old base at South Bank in Lambourn after a successful but frustrating four-year stay at Manton.

☐ Tyrone Williams, having recovered from a trapped nerve in his neck following a fall at Southwell earlier this month, returns to the saddle on Bedouin Prince at Doncaster tomorrow.

Berry hope dashed by Weatherbys

JACK Berry was a disappointed man yesterday after his plans to make a winning start to the turf Flat season were dashed by red tape.

He was grooming a two-year-old colt called Robins Arrow to win the Philip Cornes Brocklesby Stakes at Doncaster on Thursday — the same day as his book, *It's Tougher At The Bottom*, is launched.

But Berry has been told that because of a technical error at the entry stage the horse, his first runner of the season, cannot take part.

Its declaration was made on Saturday by a member of the Cockerham trainer's staff, but Weatherbys ruled that the owner of the horse had not given anyone other than Berry the authority to act on his behalf.

Berry said today: "Weatherbys are just being silly. It's so trivial. The Brocklesby is very important to me and, with my book coming out, I was really keen to go for it this year."

Jockey Club spokesman David Pipe said: "It's very sad because it is not the trainer's fault. But the rules are there to protect the owners and trainers, otherwise anybody could just ring up and make wholesale declarations or withdrawals."

Rinus heads for Aintree without preliminary race

By MICHAEL SEELY
RACING CORRESPONDENT

GORDON Richards has abandoned plans to give Rinus a preliminary race before last season's Grand National third attempts to give the Greystoke trainer a third win in the world's most spectacular steeplechase on April 6.

"I had intended to give Rinus another run," said Richards yesterday, "but the ground at Newcastle last Saturday was far softer than had been forecast, so, although Neale Doughty was easy on him when he was beaten, he still had quite a hard race."

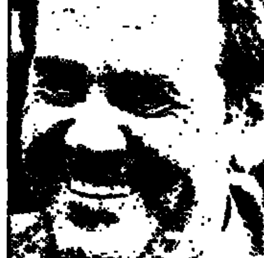
Rinus, one of the leading Aintree fancies since the publication of the weights, was beaten eight lengths by What About Me at Gosforth Park after winning impressively at Ayr. "I wasn't too disappointed as he was trying to give 31lb to an up-and-coming young novice. Perhaps, it was a blessing in disguise. After all, Dark Ivy went to Aintree a previous winner and look what happened to him."

Twin Oaks, Rinus's stable companion and Grand National favourite until disappointing when pulled up behind Garrison Savannah in the Cheltenham Gold Cup, will only take his place in the Aintree line-up if the going is soft. "Rinus is the one I fancy and I'm sure Neale will ride him," said Richards.

Garrison Savannah remains favourite for the National at 8-1 with Rinus generally on offer at 10-1.

Other Aintree news came from Andy Turnell, who said that Katabatic, an impressive eight lengths winner of the Queen Mother Champion Chase at Cheltenham, would now be aimed at the two-and-a-half mile Glenlivet Melling Chase on the Friday at Liverpool in preference to the two-mile Captain Morgan Chase the next day.

On Saturday's William Hill Lincoln front, further money for Selaah yesterday saw the favourite's odds cut from 7-1 to 6-1 with Ladbrokes, who then offer 9-1 against Lord Of Tusmore and 16-1 against Absonal and six others.



Hannon: has booked Eddery for Absonal

Richard Hannon has booked Pat Eddery for the well-backed Absonal, who ran down the course five times after winning three handicaps in succession in early summer.

"The horse is in good shape," said the trainer yesterday. "He wouldn't want the ground too soft and the handicapper hasn't really dropped him a lot for being beaten, but we've had the Lincoln in mind for some time. I'm also running Fox Chapel. Gary Carter is riding and he will run a good race if it's soft.

"My other entry, Sharp 'N' Early, won't get in and will run on the Friday."

In 1990 Hannon has his best-ever season, winning 69 races worth £653,526. He also won his third 2,000 Guineas with Tirol.

Discussing this season's classic hopes, he concluded: "Shalford and Bold Nephew are both 2,000 possibilities. But they will have to prove that they will get the trip first. I've got Only Yours in the 1,000. I've got a lot of hope for her. She's come on in leaps and bounds."

Overnight jockeys likely next year

By RICHARD EVANS

PUNTERS are to be given extra help in the never-ending battle against bookmakers by being told who will ride horses well in advance of races.

Overnight declaration of jockeys has been under discussion for more than a decade, but yesterday the Jockey Club confirmed the idea is likely to be implemented in 1992.

Jockeys do not have to be declared currently until 45 minutes before the race, which has resulted in celebrated cases of jockeys listed in morning newspapers to ride certain horses being replaced at the last minute by top riders.

Under the new scheme, jockeys' riding plans will have to be declared by 3.30pm the day before racing.

Michael Caulfield, of the Jockeys' Association, said the overnight declaration blue-print had been a bitter pill for jockeys to swallow, but they had slowly come round to the idea.

Although details of the overnight declaration scheme still have to be worked out, there will be exceptions which allow for jockeys to be declared on the day of races due to injury, major retainers held by some top riders, horses going lame, and abandoned meetings.

The Jockey Club has decided against introducing a French-style pentrometer to help racecourse officials decide on the going of the ground. A specially adapted pentrometer used in field trials on British tracks failed to provide consistent readings and was particularly susceptible on ground worse than good to soft.

Racing's rulers have asked two British companies to work on other devices which could be used to detect the state of the ground on race day.

☐ Clerks of the Scales are to be permitted to use their discretion when determining claims from March 28. The Jockey Club has agreed to alter the rules following two recent incidents when claims were rendered void because of a missed suffix and an additional letter against the names of horses.

Bookmakers under fire

A BIG-RACE sponsor yesterday added his voice to the growing demand for bookmakers to contribute more from their sizeable profits to the financially hard-pressed sport (Richard Evans writes).

Tony Solomons, chairman of Singer & Friedlander which sponsors the Greenham Stakes at Newbury next month, said: "I do not believe in a Tote monopoly, but I do believe that bookmakers should pay more in to racing in compensation for not having a Tote monopoly."

The merchant bankers, which will be sponsoring the recognised 2,000 Guineas trial for the fourth year at the Berkshire course, will provide £18,000 towards the £30,000 race.

BASKETBALL

Hemel's delight turns to despair

By NICHOLAS HARLING

AS IF to prove there is no such thing as a sporting certainty, Hemel Hempstead Royals have gone out of their way to endorse the adage.

Having had the audacity to become the first and only club to defeat Kingston in the Carlsberg League this season, the Hertfordshire club then became the first to lose to London Docklands. Little wonder that Dan Lloyd, the Hemel coach, promptly took the champagne off ice. "It's the type of team we are," he said. "We beat the best and lose to the worst."

Docklands won 86-85 in overtime on Sunday after Royals had made up a 48-33 half-time deficit to draw level at 76-76 by the end of normal time. Joel Moore, of Hemel, took his aggregate over the two games to 61 points.

After savouring his first victory as a coach — and Docklands' first in 47 league fixtures — Nigel Acres admitted he had told his players beforehand that it might be their last chance. "Basically, if the club wants to progress, we have to go out and get other players," he said.

Hemel's remarkable 105-96 win, with only six players, two nights earlier had less to do with Kingston's exhaustion than Kevin Cadle, their coach, was prepared to accept. The squad had gone on court almost straight after travelling back overnight from Pesaro, where their hopes of further progress in the European Cup had been extinguished by the Italian champions.

"That was no big deal," Cadle said. "We should still have been able to defeat Hemel. Our problem was that too many of our players had their noses stuck up in the air."

Thames Valley Tigers' 88-78 success at Leicester brought the Berkshire club revenge for their Coca-Cola Cup semi-final defeat and, with it, third place in the final table. They now face Manchester Giants in the quarter-final play-offs.

QUARTER-FINAL PLAY-OFFS: First legs: March 23 (7.30pm): Derby v Leicester; Kingston v Hemel Hempstead; Manchester v Thames Valley; Worthing v Sunderland. Second legs (8pm): March 27: Leicester v Derby; Thames Valley v Manchester. March 28: Sunderland v Worthing. March 30: Hemel Hempstead v Kingston.

NETBALL

England relying on Mace

By LOUISE TAYLOR

ROGER Mace, a sports psychologist, will accompany the England squad to Australia for the world championships this summer. His presence has been made possible by a grant from the Sports Council.

Liz Nicholl, chief executive of the All England Netball Association, said: "We are delighted because it is the first time the Sports Council has funded a registered psychologist at any sporting world tournament."

In the two years Mace has been working with the players, England have developed increased resilience — as seen by encouraging, albeit losing, performances against Australia last autumn.

They reverted to bad habits against Northern Ireland in Lisburn, Co. Antrim, last Saturday, when Betty Galsworthy's team laboured to a 53-32 win against a side they have beaten 38 times in as many meetings.

England will be joined in Australia by two teams from Croydon High School, Surrey, who recently won the under-18 and under-16 titles at the national schools' championships in Sunderland. Croydon will take on their Australian counterparts in a series of inter-school matches.

A squad from England's north-west region leaves for a month of matches in the Cook Islands, off New Zealand, on Sunday.

SCHOOLS RUGBY

England name 18 group side

FOLLOWING their hard-fought 10-3 win over Rosslyn Park colts at Castlecroft Wolverhampton at the weekend, the England 18 group side to meet Ireland in Limerick on March 30 has been announced (Michael Stevenson writes).

SCORERS: England 18 Group: Tries: Hill and Diprose. Conversion: Stimpson. Rosslyn Park Colts: Penalty: Singer.

ENGLAND 18 GROUP (v Ireland): T Stimpson (Silcoates); A Razek (Loughborough GS), N Ryan (Mount St Mary's), D Edwards (Pocklington), D O'Leary (Campion, Hornchurch), P Burke (Epsom), M Dawson (RGS High Wycombe); D Crompton (Exeter, captain), M McCarthy (Leeds GS), S Thompson (Durham), A Diprose (Campion, Hornchurch), C Simpson (Hills Road College), B J Mather (Arnold), R Hill (Bishop Wordsworth's), E Rollitt (St Paul's). Replacements: A Maddock (Plymouth), W Greenwood (Sedbergh), G Sacconaeli (South Bristol Tech), S Brown (Padley), C Johnson (Bishop Vesey's), W Green (Eastbourne), R Hutton (St Benedict's).

KELSO

Selections

By Mandarin
2.15 No More Trix.
2.45 Christmas Holly.
3.15 San Pier Niceto.
3.45 Snowfire Chap.
4.15 Timurs Double.
4.45 Church Warden.
5.15 FAVOURED VICTOR (nap).

By Thunderer
2.15 ANOTHER DYER (nap).
2.45 Christmas Holly.
3.15 San Pier Niceto.
3.45 Highfrith.
4.15 Genair.
4.45 Church Warden.
5.15 Stormy Dreams.

By Michael Seely
2.15 No More Trix. 2.45 LOTHIAN CAPTAIN (nap). 5.15 Favoured Victor.

Brian Beel's selection: 4.45 Andrew.

Going: good to soft (soft in places) SIS

2.15 SHIRES BATHROOM NOVICES HURDLE (£2,042: 2m 6f) (10 runners)

1 51 NO MORE TRIX 15 (S) (The Rosse Syndicate) T Tate 5-11-8 G Bradley 93
2 14321 PORTAVOGIE 12 (S) (R Anderson Green) C Parker 7-11-8 B Storey 95
3 08100 YOUNG NINER 9 (D,S) (W Braid) J S Wilson 5-11-8 P Niven 84
4 06-25U2 ANOTHER DYER 9 (BF) (Edinburgh Woollen Mill Ltd) G Richards 7-11-2 N Doughty 98
5 60 MAN OF ICE 23 (M Easterby) M H Easterby 5-11-2 L Wyer —
6 4-FS31P TROPENNA 46 (G) (Mrs M Caddy) J Goulding 8-11-2 C Dennis (3) 82
7 0-62 TRUELY ROYAL 12 (A Eubank) A Eubank 7-11-2 L O'Hara (3) ● 99
8 0-00 CELTIC WATERS 89 (Mrs Dorothy Thomson) Mrs D Thomson 6-10-11 Mr D Mactaggart (7) —

[illegible]

Guide to our in-line racecard

1 113143 GOOD TIMES 13 (BF,F,G,S) (Mrs D Robinson) B Hall 12-0 B West (7) 88

Racecard number. Six-figure form (F — fell. P — pulled up. U — unseated rider. B — brought down. S — slipped up. R — refused. D — disqualified). Horse's name. Days since last outing; F if flat. (B — blinkers. V — visor. H — hood. E — Eyeshield. C — course winner. D — distance winner. CD — course and distance winner. BF — beaten favourite in latest race). Going on which horse has won (F — firm, good to firm, hard. G — good. S — soft, good to soft, heavy). Owner in brackets. Trainer. Age and weight. Rider plus any allowance. The Times Private Handicapper's rating.

3.45 KING'S OWN SCOTTISH BORDERERS CHALLENGE CUP HANDICAP CHASE

[illegible]

4.15 LOTHIAN PLUMBING SUPPLIES HANDICAP HURDLE

[illegible]

4.45 JOHN RUTHERFORD CASE INTERNATIONAL HUNTER CHASE (Amateurs)

[illegible]

5.15 MARCH BUMPER NATIONAL HUNT FLAT RACE

[illegible]

14 PA-JO (G Coan) J Johnson 4-11-2 B McGill (5) —
15 03 TIMANFAYA 12 (Mrs D Culham) Mrs D Culham 4-11-2 Mr R Robinson (7) —
16 FURRY BABY (K Hanson) M Avison 4-10-11 J Callaghan (3) —
17 6 LASTING CHARM 51 (Mrs H Fraser) J Haldane 4-10-11 J Corkell (7) —
18 VAIGLY FINE (Miss J Palmer) J Charlton 4-10-11 J O'Gorman (3) —

BETTING: 5-4 Stormy Dreams, 3-1 Favoured Victor, 5-1 Big Mac, 10-1 Man's Best Friend, More Swag, 12-1 others.

1990: JODAMI 5-11-10 Mrs A Farrell (33-1) P Beaumont 13 ran

FORM FOCUS STORMY DREAMS beat Basso Profundo 8l at Ayr (2m, good), with TIMANFAYA poor 11th and LASTING CHARM 16th. PARSON'S QUEST some late headway when 47l 7th of 22 to Cab On Target over course and distance (good to soft). FAVOURED VICTOR soon clear to beat Aqiq 20l at Market Rasen (1m 6f, good to soft). BIG MAC running-on 8l 2nd to Piper O'Drummond at Catterick (2m, soft).
Selection: FAVOURED VICTOR

2.45 POTTERTON MYSON NOVICES CHASE

[illegible]

3.15 CROSS KEYS NOVICES HURDLE

[illegible]

FORM FOCUS ... beaten 2 out and NORTH PRIDE tailed off when pulled up 2 out. GLEN MORVERN 7¾l 4th to Jodami at Ayr (2m 4f, soft), with FLOATER pulled up before 2 out.
SAN PIER NICETO 10l 2nd to Native Mission at Newcastle (2m, good) on penultimate start. ... (2m, good), when SAN PIER NICETO ... PORT SODERICK 25l 4th to Al Frolic at Edinburgh (2m, good). SHILINSKI tailed-off 7th to My Muszka at Newcastle (2m 4f, good to soft). Earlier beat Kalogy ½l on the Flat, there, (1m 4f 80yd, good to firm).
Selection: ARPAL BREEZE

Course specialists

TRAINERS	Winners	Runners	Per cent	JOCKEYS	Winners	Rides	Per cent
T Tate	5	18	27.8	Mr J Greenall	4	11	36.4
M Hammond	4	15	26.7	Mr K Johnson	7	25	28.0
G Moore	21	91	23.1	L O'Hara	12	48	25.0
M H Easterby	8	35	22.9	R Hodge	4	17	23.5
G Richards	37	164	22.6	N Doughty	20	99	20.2
Mrs G Reveley	22	100	22.0	Mrs A Farrell	4	22	18.2

SOUTHWELL

Selections

By Mandarin
2.10 Steppey Lane.
2.40 Top Of The World.
3.10 World's Creation.
3.40 Intentions.
4.10 Erris Express.
4.40 Brisas.

By Thunderer
2.10 Link Market.
2.40 Top Of The World.
3.10 World's Creation.
3.40 Intentions.
4.10 Erris Express.
4.40 Absolution.

The Times Private Handicapper's top rating: 2.40 TOP OF THE WORLD.

Going: standard Draw: 5f-1m, low numbers best SIS

2.10 THRUSH HANDICAP (£2,456: 1m 6f) (9 runners)

1 (8) QUALITAIR AVIATOR 11 (CD,F) (Qualitair Ltd) J Bottomley 5-10-0
2 (2) STEPPEY LANE 47 (CD,G,S) (Dr C Emmerson) W Haigh 6-9-5
3 (7) LINK MARKET 67 (F) (BF,C,D,F) (P Flavin) M Ryan 5-9-1 G Carter
4 (3) ART FORM 162 (CD) (R Cyzer) C Cyzer 4-9-0 A Clark
5 MYSTERY BAND
6 (4) BEAU QUEST 16 (V,F) (G Farndon) R Hollinshead
7 (1) (P O'Donnell) Jimmy Fitzgerald 9-7-7 J Quinn
8 (5) AUTONOMOUS (F,G) (Cairns Racing) W Wilson 6-7-7
9 (6) PATHERO 12 (F,G,S) (H Whitton) N Bycroft 7-7-7

[illegible]

2.40 DESIGN CONTRACTORS MAIDEN STAKES

[illegible]

3.10 STARLING HANDICAP (3-Y-O: £2,434: 1m) (7 runners)

[illegible]

3.40 BLACKBIRD MAIDEN STAKES (£2,588: 1m) (14 runners)

1 (11) CITRUS KING (R Day) G Huffer 4-9-7 L Newton (5) —
2 (3) JIMMY PIP 198J (Mrs A Beard) J Mackie 4-9-7 G Hind (3) —
3 (9) 0- KING FERDINAND 137 (S Brewer) P Makin 4-9-7 T Sprake (5) —
4 (5) KNIGHT'S SPUR 18J (A Tarrant) J Webber 4-9-7 J Williams —
5 (10) NATIVE SUITOR 12 (P Moss) P Stockley 4-9-7 K Fallon 77
6 (1) 33/0-2 SHOUT OUT 8 (Dr C Stalling) C Nelson 4-9-7 J Reid 94
7 (4) BUILDMARK 18J (G Emery) W G M Turner 5-9-2 G Duffield —
8 (7) DANCING BREEZE 8 (A Robins) Pat Mitchell 4-9-2 Ron Hillis (5) 89
9 (12) 40 MONTBARD 81 (A Henderson) J Wharton 3-8-4 Dale Gibson 71
10 (6) 5 BAHRAIN QUEEN 21 (E) (Y Alazzawi) Mrs L Piggott 3-7-13 S Crossley —
11 (13) CAROUSELLA 19 (Dowager Lady Beaverbrook) C Britain 3-7-13 M Roberts —
12 (8) 2 INTENTIONS 11 (Mrs J Murray Smith) D Murray Smith 3-7-13 A Munro ● 99
13 (2) 0- LA BUCA 116 (J Harris) D Yeoman 3-7-13 — —
14 (14) SAPPHIRE BREEZE (E) (Y Alazzawi) Mrs L Piggott 3-7-13 Beverley Scott (7) —

BETTING: 11-4 Intentions, 3-1 Carousella, 9-2 Native Suitor, 6-1 Dancing Breeze, 8-1 Bahrain Queen, 10-1 Montbard, 12-1 Knights Spur, 14-1 Citrus King, 16-1 others.

4.10 DESIGN CONTRACTORS CLAIMING STAKES (£2,588: 6f) (13 runners)

[illegible]

4.40 BLUE TIT HANDICAP (£2,412: 5f) (9 runners)

[illegible]

Course specialists

[illegible]

Yesterday's results

Nottingham

Going: good (chase); soft (hurdles)

2.15 (2m hdle) 1, PINATA (M Bowlby, 5-1); 2, Squire Lamb (A Adams, 10-11 fav); 3, Reve En Rose (A Mulholland, 50-1). ALSO RAN: 4 Kindled's Clown (f), 12 Honeywell Lad (pu), 16 Shrewd John (6th), Skip Loader, 20 Carstell (4th), 25 More Laughter, 33 Just Incredible (5th), 50 Ceeteebee. 11 ran. NR: Loftiness. 12l, 1l, 30l, hd, 25l. Mrs J Pitman at Upper Lambourn. Tote: £6.20; £2.50, £1.00, £13.80. DF: £4.30. CSF: £9.92.

2.45 (2m 6f ch) 1, REHAB VENTURE (J Osborne, 14-1); 2, Buddington (J Railton, 11-4 fav); 3, Team Leader (C Llewellyn, 10-1). ALSO RAN: 4 Close Escape (4th), 9-2 Thats The Business (5th), 12 City Comment (f), Monkscombe (pu), 33 Mount ...

[illegible]

Fontwell Park

Going: heavy

2.0 (2m 4f ch) 1, PASTORAL PRIDE (Miss P Curling, 5-4 fav); 2, Little Duffy (Mr E Bailey, 33-1); 3, Cursheen Boy (Mr M Felton, 9-2). ALSO RAN: 8 Carbo Booster (pu), Privateperformance (5th), 10 MicMac Express (pu), Goodlooking Bird (ur), 25 Mr Finnies (pu), Sober Sam (ur) 33 Tumble Time (pu) 40 Hasty Gamble (pu) 50 Aortic (ur), Whitamer Grove (ur), Donatist (4th), 66 Bloodhound (pu), Brigadier Gordon (pu). 16 ran. Dist. 2½l, 20l, 4l. C Smith at Dawlish. Tote: £2.50; £1.40, £9.40, £2.10. DF: £102.50. CSF: £42.25.

2.30 (2m 2f hdle) 1, BEAUJOLAIS NOUVEAU (B Powell, 5-1); 2, Teda (P Scudamore, 15-8 fav); 3, Harvest Splendour (T Kent, 15-2). ALSO RAN: 9-2 ...

[illegible]

Blinkered first time

[illegible]

TENNIS

Becker plays more like a beach boy than court colossus

From ANDREW LONGMORE, TENNIS CORRESPONDENT, KEY BISCAYNE

AS A welcome to his new coach, Nikki Pilic, Boris Becker's displays at the Lipton International here over the last two days have been somewhat less than ecstatic. Rarely can Becker have played so poorly as he did in his narrow victory over a qualifier who had only ever won three matches on the tour and in a humiliating defeat by Patrick McEnroe in the third round. Pilic, more used to watching Becker's triumphant days, must be wondering just what he has taken on as the successor to Bob Brett.

Becker and Pilic have just over two months to pick up the pieces in time for Paris in May. Though he would not be drawn into admitting that victory in the French Open, the only grand slam he has not won, rather than Wimbledon is now top of his list — "the French comes before Wimbledon, so that is the next step", he said — all the arrows in his life and his preparation are pointing towards Roland Garros.

After parting company with Brett last month, two weeks after becoming the world No. 1, Becker has hired Pilic to take him through what might prove to be the final phase of his career. Besides being a good friend and the German Davis Cup captain, Pilic has been in a final of the French Open, an experience Becker has yet to enjoy. Semi-final defeats by Wilander and Edberg are the nearest he has come to success on a surface which has never suited his game or his temperament.

But this is new territory for Pilic. A new Becker, too. A casual, leaden-footed character, who has played with no pride here, openly admitting that the attractions of the beach have been greater than those of the tennis court. A totally different player from the colossus who lifted Germany single-handed to the Davis Cup in successive years and won the Australian Open six weeks ago. It will take all of Pilic's considerable experience to effect a transformation back to champion in the next two months.

Quite apart from the appalling mediocrity of Becker's tennis, characterised by the two double-faults he served when he had just broken back to 4-4 in the second set against McEnroe, the signs have not been too encouraging. After beating Steve DeVries more by luck than judgment in his opening match here, Becker talked like someone in the midst of an anticlimax. "Since becoming world No. 1 (for two weeks), I have a different outlook on it. I do not think about it so much any more," he said.

Deprived of the motivation which drove him through an oppressive schedule at the end of last year and to the pinnacle of his career in Melbourne in January, Becker has only pride left to cling on to in tournaments like this which, despite its competitiveness, he considers less than *momentous*.

But the pride seems to have vanished, too, at least for the moment, and it will only be of limited comfort to Pilic that, in winning 6-1, 6-4, Patrick McEnroe joins a list of players who have beaten Becker in the third round at Lipton: Tim Mayotte, Milan Srejber and, last year, Jean Fleurian. Becker has never been beyond the third round and probably never will because, unlike the Australian Open, Becker will not move heaven and earth to improve his record at the Lipton. He might not be back next year.

Next week Becker returns to Davis Cup duty against Argentina in Berlin, but his pre-Paris schedule is different from last year. He intends to play in Monte Carlo, Hamburg and Rome and then do some exhibitions and practice instead of leading Germany in the World Team Cup — where, incidentally, Pilic will be otherwise engaged captaining the team — in Düsseldorf the week before Paris.

By then, Becker will hope to have rediscovered his fire and fitness.

Jimmy Connors was beaten in the second round by Christiano Caratti, of Italy, and there were safe passages into the fourth round for Edberg and Forget.

RESULTS FROM KEY BISCAYNE

MEN'S SINGLES: Second round: C Caratti (It) bt J Connors (US), 6-4, 6-3. Third round: G Forget (Fr) bt J Arias (US), 6-1, 6-1; M Chang (US) bt H Leconte (Fr), 4-6, 6-3, 6-3; D Rostagno (US) bt T Mayotte (US), 6-7, 6-4, 6-3; T Carbonell (Sp) bt H Skoff (Austria), 0-6, 6-1, 6-2; R Reneberg (US) bt J Siemerink (Neth), 7-6, 6-4; S Edberg (Swe) bt G Prpic (Yug), 6-4, 6-2; W Ferreira (SA) bt J Sánchez (Sp), 6-1, 6-3; M Stich (Ger) bt J Aguilera (Sp), 6-4, 6-2; M Rosset (Switz) bt S Matsuoka (Japan), 6-4, 6-4; J Courier (US) bt P Haarhuis (Neth), 7-5, 3-6, 6-3; E Sánchez (Sp) bt D Cahill (Aus), 7-6, 6-1; P McEnroe (US) bt B Becker (Ger), 6-1, 6-4.

WOMEN'S SINGLES: Third round: B Paulus (Austria) bt C Porwik (US), 6-3, 6-2; G Helgeson (US) bt E Svigierova (Cz), 6-3, 6-0; R Rajchrtova (Cz) bt A Frazier (US), 7-6, 2-6, 6-4; M Fernandez (US) bt L McNeil (US), 6-1, 6-2. Fourth round: M Seles (Yug) bt F Labat (Arg), 7-5, 6-0; S Graf (Ger) bt M Werdel (US), 6-0, 6-1; Z Garrison (US) bt M Pierce (Fr), 6-3, 6-4; M Maleeva-Fragniere (Switz) bt R Reggi (It), 6-0, 6-4; G Sabatini (Arg) bt N Tauziat (Fr), 6-3, 6-1.

PETER MOURANT

Sea shore shuffle: Gallichan pounds Gorey beach, Jersey, during a training run

Gallichan is eager to enter into uncharted territory

By ALIX RAMSAY

THE London Marathon has come as something of a surprise to Wayne Gallichan. Having missed his chance to enter for the last two years through injury, he was more than a little aghast to discover he had been selected as one of the 12 *Times* and Unisys fund runners.

"After the initial shock of getting in, the problem has been trying to find time to train," he said. Fitting in four runs a week around his job — looking after the family shop in Jersey — has not been easy.

His training was further disrupted when he ran into both the bad weather and a lamp post. "It was like one of those comic scenes you read about," he said. "It's funny now but it didn't half hurt at the time." He is still confident he will reach Westminster Bridge and his ultimate goal.

"I play a lot of sport so I'm reasonably fit," he said. "But I'm not interested in setting myself a time to finish. It's all uncharted territory for me; I just want to prove to myself that I can run 26 miles. Walking, crawling or jogging, I am going to get to that line."

Gallichan is running to raise money for the Jersey Wildlife Preservation Trust, founded by Gerald Durrell. The trust runs a sanctuary for rare birds, reptiles and mammals and, by organising controlled breeding programmes, hopes to preserve some of the world's most endangered species.

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UNISYS
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Marathon Appeal

The money he raises will help provide funds to bring students from all over the world to Jersey to learn about the work Durrell's organisation is doing. The aim is that, armed with the knowledge, the students will be able to start similar schemes in their own countries.

Gallichan's schooldays have got a lot to answer for. Not only did they get him involved with the trust but they also committed him to running the marathon. "I promised my old schoolteacher that, one day, I would do a marathon," he said.

That was 13 years ago. Now, at the age of 31, Gallichan finds himself having to live up to that promise. "I met my teacher before Christmas and he asked me if I had run my marathon yet. As I hadn't, I thought I had better do something about it.

"I have one fear," he admitted. "I dread my legs giving up and that I won't be able to move. But I'm going to enjoy the day whatever happens. I should be okay."

☐ *The Times* and Unisys — the official ADT London Marathon computer service — hope that, by featuring the efforts of our team of fund runners, we will help them find sponsorship.

If you wish to support one or more of them, write clearly stating your beneficiaries to *The Times*/Unisys London Marathon Appeal, Sports Department, *The Times*, 1, Pennington Street, London E1 9XN. We will send on your donations.

Unisys is offering a Unisys personal computer to the biggest fund-raiser, and a jeroboam and magnum of champagne respectively to the second and third.

ATHLETICS

Marathon men issue writ over TV allegations

By JOHN GOODBODY

CHRIS Brasher and John Disley yesterday refuted allegations, contained in a Channel Four television film to be screened tonight, that they have cashed in on the success of the London Marathon, which they created in 1981.

Theodore Goddard, the solicitors acting for the pair and also for London Marathon (1985) Ltd, yesterday said that a writ had been issued for defamation against Channel Four, Mair Golden Moments, the company which has made the film, John Mair, the producer/director, and Duncan Campbell, the reporter. They hope to serve the writ shortly. If the film is shown tonight, the solicitors say further legal action will be taken.

Brasher yesterday termed the allegations made in the transcript, which had been circulated to journalists, who have also seen a preview of the film, as "false, totally misleading and very serious". The enquiry examines how the mailing-list contracts for running shoes were decided; the possible conflict of interests of Brasher and Disley, who are members of the governing body of the marathon's charity, directors of the marathon as a trading company, and also directors of independent companies negotiating with the marathon; and how much money has gone directly to charity and sporting organisations.

Two years ago, Brasher said he would be resigning from his post as race director of the London Marathon after this year's race, which will be held on April 21. Brasher explained his long-standing decision yesterday by saying: "After 11 years with my head down at the desk I would like a little time to myself."

He was mystified by reports that his decision had anything to do with the *Dispatches* programme. The staff and the directors had asked him to be chairman of the operating company after he retires as race director and he is planning to hold monthly strategy meetings. Brasher and Disley, both aged 62 and former Olympic medal-winners, have been the driving-forces of the marathon, which has been Britain's sporting success story of the last decade.

Brasher denied that either he or Disley had been "illegally and/or improperly paid" for their services to the marathon. They had received an average of around £9,000 a year, which he termed "modest" in relation to the immense effort involved.

Brasher, the 1956 Olympic steeplechase champion, also said that it was "completely fallacious" that the operations of Fleetfoot Ltd, Brasher and Disley's company, and their promotion of New Balance and later Reebok Shoes were intimately tied in with the pair's administration of the marathon.

Brasher said: "Fleetfoot has won the mailing rights on a number of occasions for the simple reason that it has bid the highest price and so the marathon has benefited. The market leaders, Nike, never even bid for the rights because they did not consider them to be an effective marketing tool."

Brasher said that over the last ten years, when the marathon's total turn-over has been £8,284,185, more than £1 million had been given to charity. In addition, more than £300,000 had been allocated for grants for sports clubs and recreation organizations. An estimated £40 million has been raised by the runners themselves for charity.

He added: "What other event does that? No other marathon in the world has had such a successful financial record."

OVERSEAS CRICKET

Hick completes dress rehearsal

By SIMON WILDE

GRAEME Hick's season with Queensland may have prepared him for life in England's Test side in more ways than he may realise. Hick, who chose to spend his last winter before completing his England qualification in Australia to learn to play the rising ball, has found himself in a side that has as brittle a batting line-up as the national team he is to join.

Queensland's most spectacular collapse was saved till last. Needing 193 to beat Victoria in Melbourne at the weekend to secure a place in the Sheffield Shield final, they subsided to 79 all out. Hick's share was 14, which left his return for the season at 845 runs, average 49.7.

Hick has recently been overshadowed by two players in particular. One was Stuart Law, his team-mate, who became the first to score 1,000 first-class runs in the Australian season; the other was Michael Bevan, of New South Wales, whose 136 against Tasmania was his fourth century in succession and his fifth in six innings.

Victoria's win over Queensland not only gave them a place in the Shield final, beginning on Friday, but also secured them home advantage against New South Wales, the holders. Ironically, in view of Queensland's reliance on imported talent, Victoria are the only state side that still refuses to use overseas players.

Auckland won New Zealand's championship, the Shell Trophy, by 20 points from their nearest rivals, Canterbury. They clinched the title by avoiding defeat against Canterbury, who were thwarted by an unbeaten double-century from Stephen Brown. Chris Cairns, the Test all-rounder, finished the season in outstanding form for Canterbury, returning career-best figures of seven for 39 (11 for 105 in the match) against Central Districts. Cairns's father, Lance, and Glenn Turner have joined New Zealand's panel of Test selectors.

In South Africa, the Bowl, for second-string teams, was shared when the final between Border and Western Province B ended in a draw. The previous day, Western Province's senior side had clinched the Currie Cup.

SPORT FOR THE DISABLED

Foundation faces cutbacks

By JANE WYATT

THE British Wheelchair Sports Foundation (BWSF), based at Stoke Mandeville in Aylesbury, has announced four redundancies, and cut funding for international events, in an effort to prevent a projected £350,000 budget deficit.

The BWSF, until recently known as the British Paraplegic Sports Society, is one of the country's largest organisations representing the interest of sports people with disabilities.

Jim Reynolds, the chief executive, who has worked for the BWSF for almost three years, has resigned. The redundancies include Bob King, the events manager, and a newly appointed development officer who will not now take up the post.

The organisation lost £120,000 in 1989-90 and losses for this year are expected to be in the region of £250,000. Keith Francis, a spokesman for the BWSF, described the situation as "clearly untenable. We had to do something about it to ensure our short-term survival".

Francis claims the difficulties result partly from the failure to secure commercial sponsorship for wheelchair sport and an important third party fund-raising deal which did not materialise. In addition, a land deal failed to yield the desired profits and cost the organisation interest payments and professional fees.

As well as the redundancies, staff at the Stoke Mandeville headquarters will not be receiving a salary rise this year and funds for athletes' training and travel are to be cut drastically.

It is an action which Francis calls "a prudent axing of costs to enable everyone involved in the organisation to share what pain there would inevitably be".

The BWSF will not be subsidising trips to overseas competitions unless they are vital pre-paralympic trials. Most athletes will have to use the World Wheelchair Games, still being held at Stoke Mandeville this summer, as their main international qualifying event — unless they can raise their own funds for travel. However, support for the Barcelona Paralympic Games will be maintained.

Specific sports organisations have been informed of the cash flow problems, and told that matters should improve by the end of the year, but there is some resentment athletes have been kept in the dark about such a large deficit for so long.

Changes made to the administrative structure of the BWSF since last December have resulted in more athletes on the committee, and hopes are now fixed on a successful paralympic appeal to refill the coffers.

Further questions may have to be raised, though, such as the need to maintain the expensive Ludvig Guttmann Sports Centre in Aylesbury.

HOCKEY

England squads to be sidelined for season

By ALIX RAMSAY

IF THE future of the women's game in England looked to be ailing after Saturday's disappointing display in the Typhoo Tea Cup, it now looks to be terminally ill after the All England Women's Hockey Association (AEWHA) made a surprise announcement to suspend the England senior and indoor squads for next season.

The reasoning behind the move seems to be purely financial. With many of the England squad likely to be needed in Great Britain's attempt to qualify for the Olympic Games next year, the AEWHA opted to save £10,000 by withdrawing the seniors from all competition.

The money saved will go towards promoting the under-21 side in its attempt to qualify for the European Cup in 1992, and the World Cup in 1993. It is a short-sighted decision. To save £10,000, the AEWHA is throwing away thousands more in sponsorship and television exposure.

The BBC is unlikely to televise the Typhoo Tea Cup next year if England can only field an under-21 squad. That in turn will affect revenue from all other sponsorship deals. Typhoo also is reconsidering its position. Having worked hard to promote the Wembley fixture as the showcase of the women's game, it may well decide to pull out after the AEWHA's decision.

The players only heard of the move after their match on Saturday, and greeted the news with disbelief and anger. The team is now working on ways to raise the £10,000 themselves to keep their team going. "We are the fourth best team in the world," Sandie Lister, the England captain, said. "We've worked hard to get there, and you can't just take a season out and expect to come back at the same level."

BRIDGE

England in command

By ALBERT DORMER

ENGLAND easily retained the Camrose Trophy when they beat Scotland by 60 victory points to 30 in the third and final leg of the home international series at Norwich.

Both teams had won their two earlier matches, but England, who had won both matches convincingly, were strong favourites.

England's total of victory points was the highest in the 55-year history of the series, and Tony Forrester's personal record far exceeds that of any previous player.

At Porthcawl, Northern Ireland dislodged Wales from third place in the series when they beat them by 57 victory points to 33.

ENGLAND: A Forrester, A Robson, G Kirby, J Armstrong, R Cliffe, B Callaghan.

SCOTLAND: B Shenkin, L Steel, D Frew, D Liggatt, J Murdoch, C Outred.

NORTHERN IRELAND: M Rosenberg, R Anderson, H Campbell, G MacKenzie, R Plunkett, P Tranmer.

WALES: K Pratt, A Howarth, W Casey, A Pierce, J Gibb, S Richards.

FINAL POSITIONS: 1, England, 208pts; 2, Scotland, 128; 3, Northern Ireland, 108; 4, Wales, 88.

Scots build for future with touring team

By ALAN LORIMER

ONLY seven of the 18 players who appeared in this season's five nations' championship are in the Scotland party for the tour to North America in May, which was described yesterday as "fulfilling the twin aims of helping to build for the World Cup and of blooding young players for the future".

As had been widely expected, most of the British Isles players in the Scotland squad will be taking a necessary break from rugby, a point amplified by Duncan Paterson, the team manager, at the team announcement at Murrayfield yesterday. "After seeing Saturday's match against Ireland I think a number of the players need a rest," he said.

Two of Scotland's Lions, Craig Chalmers and Peter Dods, are the only players named for their respective positions of stand-off and full back. But as Paterson said: "there will be a certain amount of flexibility within the party."

Chalmers could be understudied by either Graham Shiel (Melrose) or Scott Nichol (Selkirk), but, given that Doug Wyllie has been named as tour captain, it seems unlikely that he will play other than at inside centre in the main matches. The cover at full back is likely to be Michael Dods, the younger brother of Peter Dods.

Curiously the younger Dods has been preferred to Mark Moncrieff, his club mate, who played for Scotland B against France and for Scotland A against Spain, but it is almost certain that his versatility and value as a place kicker won him the vote.

Ruari Maclean is not available and this has re-opened the door for Ian Jardine, the Stirling County centre. He looked to be out of favour after missing selection for the B team but According to Paterson he is "a big strong lad and the type of player that Scotland requires."

There will be surprise at the selection of Lindsay Renwick, but the London Scot, who was a last-minute withdrawal from the tour to New Zealand, impressed the selectors with his fitness and speed at the recent squad weekend in St Andrews.

David Milne's inclusion will also cause some questioning. The Heriots' loose head prop's career was widely regarded as being almost over after the tour to Japan two years ago, when he sustained a recurrence of a knee injury. Gary Isaac, the Gala prop, who has made considerable progress this season, is also included for the first time.

Scotland's lineout problems are being addressed by the selection of three tall, rangy locks. Andy Macdonald still has a long way to go, but the other two, Brian Richardson and Doddie Weir, should be ready made.

There is bound to be a feeling the selectors have not cast their net wide enough.

SQUAD: Full back: P Dods (Gala). Wings: M Dods (Gala), A Moore (Edinburgh Academicals), L Renwick (London Scottish), T Stanger (Hawick). Centres: I Jardine (Stirling County), S Nichol (Selkirk), G Shiel (Melrose), D Wyllie (Stewart's Melville FP, capt). Stand off: C Chalmers (Melrose). Scrum halves: A Nicol (Dundee HSFP), G Oliver (Hawick). Props: G Isaac (Gala), D Milne (Heriot's FP), G Smith (Moseley), A Watt (Glasgow High/Kelvinside). Hookers: J Allan (Edinburgh Academicals), K Milne (Heriot's FP). Locks: A MacDonald (Heriot's FP), B Richardson (Boroughmuir), G Weir (Melrose). Flankers: J Amos (Gala), R Kirkpatrick (Jedforest), G Marshall (Selkirk), D Turnbull (Hawick). No. 8: S Reid (Boroughmuir).

ITINERARY: May 4: Depart Edinburgh. 8: v British Columbia Development Team (Vancouver). 11: v Alberta (Edmonton). 15: v Rugby East (New York City). 18: v United States (Hartford). 22: v Ontario (Toronto). 25: v Canada (St John, New Brunswick).

RUGBY UNION

England B team selection shows change in emphasis

By DAVID HANDS, RUGBY CORRESPONDENT

ENGLAND'S success at senior level this season has not been echoed at other representative levels. Don Rutherford, the Rugby Football Union's technical director, may not regard victory at, for example, B and under-21 level as essential, but it is considerably better than losing, not least for the players involved.

Thus there has been a change in emphasis in the B team named yesterday to play Italy at Waterloo next Wednesday, particularly in view of the prospect of Italy giving many members of their World Cup squad a workout. In previous B teams this season there has been a development element, but after defeats against Ireland and France, the latest side resembles much more a national second XV.

While the threequarters who played in the 10-6 defeat by France at Bristol on Friday have been retained — as have the two locks — there is change everywhere else. John Olver, who has sat on the England bench watching his colleagues win a grand slam, takes over from Gary Pearce as captain in a side including eight senior caps — among them Andy Mullins, the Harlequins tight-head prop who played against Fiji in 1989.

David Egerton, who has missed five months of the season with a shoulder injury, has the chance to restate a case for inclusion in the World Cup party, as do John Hall and Andy Robinson, his Bath colleagues. But the most interesting selection is that of Martin Strett, the Orrell stand-off half, in a position where cover for Rob Andrew is notoriously limited.

David Pears, of Harlequins, has received an extended run without stamping any great authority on the position so Strett, whose form as playmaker as well as goal-kicker has been an important factor in Orrell's league and cup success this winter, receives his chance. He is the only newcomer to B rugby and will have the experienced Steve Bates at scrum half to assist him.

Rutherford said: "A real root and branch job has been done on the back row because the original three did not appear to be sufficiently versed in what is needed. The Bath unit will give far more in all areas." Sadly, this has meant dispensing, for the time being, with the services of Neil Back, the Leicester flanker.

B team rugby has also reached divisional level: the South-West and London meet at Weston on March 27, though back-row men, Derek Eves and Paul Collings, may be missing. They will also be without Simon Morris, the promising Gloucester centre, who has broken a thumb and may not play again this season.

ENGLAND B (v Italy): A Buzza (Wasps); A Harriman (Harlequins), J Buckton (Saracens), G Thompson (Harlequins), A Adebayo (Bath); M Strett (Orrell), S Bates (Wasps); G Holmes (Wasps), J Olver (Northampton, captain), A Mullins (Harlequins), J Hall (Bath), N Redman (Bath), S O'Leary (Wasps), A Robinson (Bath), D Egerton (Bath). Replacements: I Hunter (Northampton), D Pears (Harlequins), R Moon (Llanelli), G Dawe (Bath), M Hynes (Orrell), D Ryan (Wasps).

Welsh students assured success

WALES have had little to cheer them this season, but at least a Welsh name will appear as the winner of the Commercial Union Universities Athletic Union (UAU) knockout competition today (David Hands writes). The university colleges of Swansea and Cardiff meet at Twickenham, with Swansea hoping that their third successive appearance in the final will be the luckiest.

They have eight survivors from the side beaten 25-16 by Loughborough a year ago, among them Adebayo, the England B wing who plays for Bath. But it is 52 years since they won the competition outright (they shared the 1965 final with Durham) and they will be wary of Cardiff, who put out Loughborough in the semi-final.

Cardiff, in their modified form, have not appeared in a final before, but UWIST, with whom the university college merged some 18 months ago, won the tournament in 1976 and 1980.

☐ England have named an unchanged side for the youth international against Argentina at the Stoop memorial ground on Friday. After watching their side pipped at the post by Italy last Friday, the colts selectors have clearly decided to give the same players a second chance against Argentina, who warmed up against the Midland colts last night.

England let slip a 21-7 lead over Italy at Cambridge, losing 22-21 against a country which perennially gives them problems at this level.

RUGBY LEAGUE

Australians venture to Melbourne

By KEITH MACKLIN

MELBOURNE will stage a rugby league international match for the first time on July 3. The first of the three-match series between Australia and New Zealand will be staged in the capital of Victoria, which is a stronghold of Australian Rules football.

This will follow successful staging of rugby league representative matches in cities in other states, Darwin and Perth, which are outside the rugby league enclaves of New South Wales and Queensland.

The referee for all three international matches will be John Holdsworth, of Leeds. The second and third matches will be staged at Brisbane and Sydney.

The three-division debate will be re-opened at League headquarters next month. The board of directors has arranged another special general meeting to reconsider the so-called Hetherington plan, which was vetoed early this month when 19 clubs voted in favour, two short of the 21 which would have given the required three-fifths majority.

The plan envisages three divisions of 14, 8 and 14. Castleford, the only first division club to vote against the scheme, are believed to have had a change of mind, though they seem to be in favour of a three divisions format of 12 clubs in each division.

When the original vote was announced, the chief executive, David Oxley, said it was "a black day for rugby league" and much lobbying has been done to persuade opponents of the need for a more competitive structure.

☐ The student premiership final will take place at Warrington tonight between West London Institute and Oxford.

Highbury awaits a possible sneak preview of the FA Cup final at Wembley

Arsenal aim to topple Forest

By Louise Taylor

HIGHBURY is tonight set for not only a possible sneak preview of this year's FA Cup final but also another twist in the championship race. At least half of Merseyside will be taking an unusually keen interest in the first division match between Arsenal and Nottingham Forest in the hope the Londoners slip up.

Level with Liverpool on 60 points, Arsenal have their noses in front on goal difference but all that could change at Highbury where the two FA Cup semi-finalists could also be conducting a dress rehearsal for a command performance at Wembley in May.

Should Forest falter, and they have collected only three points from their last six League games, the psychological edge will lie with Arsenal, who have completed one fixture less than Liverpool.

Arsenal have Anders Limpar and Perry Groves restored to fitness and pressing for places, and they will be heartened by the fact that the visitors will be without Steve Hodge, their influential midfield player, who has a knee injury.

Several individuals should still be more than delighted following their inclusion in Graham Taylor's England squad to face the Republic of Ireland next week.

Nigel Clough, Des Walker, and Stuart Pearce, from Forest, and Tony Adams, David Seaman and Lee Dixon, of Arsenal, have been included in the senior squad, while the London forward pair of Alan Smith and Paul Merson are on stand-by.

The England Under-21 squad features Kevin Campbell, who scored both Arsenal goals against Leeds United on Sunday, while Nigel Jemson, of Forest, is on stand-by.

By contrast, those who feel aggrieved at being overlooked will have points to prove tonight. Paul Davis, Michael Thomas, David Rocastle, Steve Bould and Nigel Winterburn might all regard themselves as falling into this category.

Walker, the Forest and England central defender, will hope he improves on his performance against Arsenal last season, when he not only found himself on the wrong end of a 3-0 scoreline but was repeatedly pulled out of position by Campbell — the man he was supposed to be marking and who scored his first senior goal for Arsenal during the course of the match.

Aged 21 and a native of North London, Campbell has now scored four first-team goals. But that statistic should be contemplated against the context of his remarkable 128 goals in 143 appearances for the reserve and youth teams.

As George Graham, the Arsenal manager, who has banned his squad from uttering the word "double", said: "Our system suits Kevin. He has power and pace and he knows what is expected of him.

"There is hot competition for first-team places here at the moment. Kevin did himself some good by taking his chances against Leeds but he cannot afford to let his standards slip."

For Graham, Campbell's progress is a vindication of his commitment to developing the Highbury youth policy rather than bowing to pressure to spend millions of pounds on high-profile players.

Graham's reward for persisting with homegrown produce is a pack containing plenty of cards to shuffle as witnessed against Leeds on Sunday, when Davis and Rocastle were reduced to warming the bench.

With Forest disciples of thoughtful passing, at least tonight's match should be more a title thriller than grinding bore.

First division

	P	W	D	L	F	A	Pts
*Arsenal	27	18	8	1	50	12	60
Liverpool	28	18	6	4	52	24	60
C Palace	28	16	7	5	39	32	55
Leeds	27	13	7	7	40	28	46
†Man Utd	29	11	10	8	42	34	42
Man City	28	11	9	8	40	37	42
Wimbledon	28	10	11	7	42	36	41
Chelsea	29	11	7	11	43	47	40

* 2 points deducted
† 1 point deducted

Surrey drop tour

Surrey have cancelled a 16-day pre-season cricket tour of India scheduled for next month, deciding too many of the matches were against under-strength sides.

Rude health: Gullit, AC Milan's Dutch international, preparing yesterday for his team's European Cup semi-final tie in Marseilles tonight. French hopes, page 48

West Ham seek return to form

By Louise Taylor

WHATEVER the outcome of tonight's second division match between West Ham United and Bristol City at Upton Park, West Ham will stay second. Yet the Londoners, who face Nottingham Forest in an FA Cup semi-final next month, will want to return to winning ways after Saturday's 3-1 loss to Sheffield Wednesday, their first at home for more than a year under the management of Billy Bonds.

Involvement in the Cup has proved so distracting that West Ham, now deprived of Trevor Morley, their leading scorer, after a domestic stabbing incident, have won only one of their last five fixtures — and that was registered against Everton in the Cup quarter-final.

City's top scorer, with 14 goals this season, is Nicky Morgan, a native of East Ham who began his career at Upton Park, but made only 23 first-team appearances during the days when Bonds was captain.

Bristol are spurred on by the incentive of consolidting their push for a play-off place, and could move from fifth to fourth, should Middlesbrough lose at Millwall.

That match is spiced by the fact that Bruce Rioch, the Millwall manager, was in charge of Middlesbrough until his surprising dismissal last spring. Millwall, in pursuit of a play-off place themselves, are expected to recall Waddock after injury.

Second division

	P	W	D	L	F	A	Pts
Oldham	33	20	9	4	66	36	69
West Ham	33	18	11	4	48	23	65
Sheff Wed	32	16	13	3	59	33	61
Middlesbro	34	16	7	11	52	33	55
Bristol C	34	16	5	13	53	49	53
Millwall	34	14	10	10	49	36	52
Brighton	33	15	6	12	50	54	51
Notts Co	32	13	10	9	49	44	49

It is an encounter which Rioch, who pulled the Teessiders from the brink of liquidation before lifting them from the third to the first division in successive seasons, has every incentive to win.

Oldham Athletic hope to extend their four-point lead at the top at the expense of Hull City, who visit Boundary Park with the prospect of third division football weighing heavily on their minds.

Brighton aim to stay among the all-important leading seven clubs by beating the ailing West Bromwich Albion at the Goldstone Ground, where the transfer-listed Garry Nelson is recalled by the home side in place of Mike Small, who is injured.

□ Gordon Lee has been appointed as manager of Leicester City until the end of the season — at least.

Lee has been caretaker manager at the club since David Pleat was sacked seven weeks' ago. In that time, Leicester have won three and lost five of the eight games they have played.

Macari's revival checked

By Louise Taylor

SOUTHEND United stretched their lead at the head of the third division to six points on Monday night after their 2-1 win at home to Birmingham, who cannot be excluded from the promotion race themselves.

Since Lou Macari took over from Dave Mackay in February, Birmingham had undergone a resurgence, but it was halted by a goal from Brett Angell. The division's leading scorer started on the Southend bench before heading a second-half winner. Earlier, Gleghorn had provided Birmingham with the lead, only for Martin to equalise.

Garnett's goal for Tranmere Rovers at Prenton Park enhanced their promotion hopes as they completed a 1-0 win against Bournemouth.

In the second division, Ipswich Town won 2-1 at Port Vale.

□ Tommy Tynan, the Torquay United forward, has been charged by the Football Association with bringing the game into disrepute after allegedly gesturing at the fourth division club's directors.

Tynan showed his feelings on scoring against Darlington on March 9, three days after he was one of eight players put on the transfer-list by the club.

Southampton to let Wallace go

SOUTHAMPTON have placed the England Under-21 international full back, Ray Wallace, on the transfer-list. Wallace has been restricted by knee injuries to only one first-team appearance this season in a Rumbelows Cup match against Rochdale.

He last started a first division fixture in September 1989 before injuries interrupted his progress. Wallace, winner of four England Under-21 caps, has made frequent attempts to leave The Dell.

His twin brother, Rodney, is also committed to leaving Southampton when his contract expires in the summer, although the club has made him a big offer to stay.

□ An appeal court will decide next week whether or not to save Bordeaux, France's leading club of the 1980s, from relegation to the second division.

Judicial sources said that a Bordeaux appeal court would meet on March 27 to reconsider last month's ruling by Judge Vincent Lamanda that the club should be put into receivership. Under rules set by the French League, a club in receivership is automatically relegated at the end of the season.

□ BRUSSELS (Reuter) — Guy Thys, the Belgium coach, yesterday named the uncapped midfield player, Joel Bartholomeeussen, in his 18-man party for next week's European Championship qualifying match against the group five leaders, Wales.

Belgium must beat Wales to keep alive their hopes of qualifying for next year's finals. Wales beat Belgium 3-1 at home and later won 1-0 in Luxembourg, which put them two points ahead of Belgium and the world champions, Germany, in the four-team group. However, Germany have a game in hand. Only the group winners qualify for the finals.

□ ZURICH (Reuter) — France and Switzerland are the first countries to confirm their interest in staging the 1998 World Cup, a Fifa official said yesterday.

Miguel Galan, a Fifa spokesman, said France and Switzerland had already responded positively more than two weeks before the April 5 deadline.

He could not confirm reports that Nigeria, a late first-phase bidder, would withdraw in favour of Morocco who lost to the United States in the bidding for the 1994 finals.

Other countries in the running are Brazil, Chile, England, India and Portugal. Only India and Portugal have never previously staged the tournament.

BOWLS

England sail to powerful position

By David Rhys Jones

THE English team, which had to wade through floods to get into their Kilmarnock hotel on Monday night, were never in deep water against Ireland in the opening match of the women's home international series at Prestwick yesterday.

It was the Irish, in fact, who sank to defeat on five of the six rinks, giving England, the holders, high hopes of sailing to a successful defence of their British team championship.

English experiments paid off handsomely, with Evelyn Schooling, a new skip, racing into a 13-1 lead by the seventh end, and finishing nine shots in front of Nancy Gibson's rink, at 26-17.

Irene Molyneux and Wendy Line, who had been given new number threes for this year's series, also excelled, beating the Irish rinks skipped by Mabel Johnston and Freda Elliott, 24-12 and 33-12, respectively.

RESULTS: England 141, Ireland 98. Rink scores (England skips first): N Shaw 19, M Dunlop 16; M Steele 19, M Mallon 16; M Price 20, Margaret Johnston 25; I Molyneux 24, Mabel Johnston 12; E Schooling 26, N Gibson 17; W Line 33, F Elliott 12.

□ Five newcomers — Judy Howlett, of Nottinghamshire, Shirley Page, of Hertfordshire, Barbara Till, of Hampshire, Margaret Norris, of Cumbria and Edna Bessell, of Somerset — have been introduced by England's outdoor selectors for next summer's international series at Belmont Club, Belfast.

ENGLAND: Rink 1: J Howlett (Notts), M Wellington (Devon), M E Wessler (Surrey), N Shaw (Durham). Rink 2: J Baker (Derbyshire), E Bessell (Somerset), J Roylance (Norfolk), M Steele (Middlesex). Rink 3: A Peacoe (Devon), S Page (Hertfordshire), P Davis (Surrey), B Fuller (Herts). Rink 4: N May (Cornwall), J Andrews (Norfolk), M Osborne (Cambridgeshire), B Stubbings (Yorkshire). Rink 5: B Till (Hants), G Daniel (Cornwall), A Snelling (Kent), M Price (Bucks). Rink 6: B Atherton (Notts), M Norris (Cumbria), W Line (Hants), M Heggie (Cumbria). Reserves: E Vigor (Surrey), J Adamson (Surrey).

Thomson recovers with style

By Gordon Allan

ANDY Thomson, of Cyphers, Beckenham, won the British Isles singles championship for England with a 21-20 victory over the holder, Graham Robertson, of East Lothian, at Aberdeen yesterday.

In a magnificant match Thomson trailed 0-11, levelled matters at 12-12 after a change of jack length, and forged ahead 18-12. It was then Robertson's turn to recover, to 18-18.

Then the Scot, holding two shots, had a chance of drawing a third for the title but ran a foot too far. The next end proved to be the last, with Thomson collecting a brilliantly-executed two. So Robertson just failed to become the first man to win this championship two years running.

RESULTS: Singles: Semi-finals: A Thomson (Eng) 21, J Baker (Ire) 10, G Robertson (Scot) 21, J Price (Wales) 17. Final: Thomson 21, Robertson 20. Junior singles: Semi-finals: G Warrender (Eng) 21, S Evans (Wales) 10, A Marshall (Scot) 21, I McClure (Ire) 10. Final: Warrender 21, Marshall 20. Triples: Semi-finals: England (R McKie, J Lambert, G R Smith) 20, Wales (A Applegate, J Applegate, P Robins) 10; Scotland (S Dodds, W Dodds, A Blair) 25, Ireland (R Miller, C Hogg, G McCloy) 11.

Wakiihuri to run

Douglas Wakiihuri, of Kenya, the world's No. 2 ranked marathon runner, and Juma Ikangaa, of Tanzania, who finished second the last three years, have entered next month's Boston Marathon, organisers announced yesterday.

GOLF

Barnard begins to reap reward of fitness move

By Mitchell Platts, Golf Correspondent

DIANE Barnard yesterday partnered the former PGA European Tour professional, Nigel Blenkarne, to an opening win in the Sunningdale foursomes before pointing out the extent of Nick Faldo's influence on the game of golf.

Barnard relies on Blenkarne, rather than David Leadbetter, Faldo's coach, for tuition, but she has been converted to the sports exercise expert, Paul Ankers, who looks after Faldo, for fitness.

"I partnered Roger Chapman in an event at the back end of last year and he told me that Nick had suggested to him that he should see Paul," Barnard explained. "I decided to do so and Paul immediately pointed out that I was a total weakling.

"He put together a strenuous exercise programme for me because he felt I needed to strengthen my back, stomach and leg muscles. I've been seeing him now for three months and I feel a lot stronger. I would like to think that will help, especially when I'm in contention when the going gets tough."

Barnard has already seen a tangible improvement in that she is hitting her drives 20 yards further, which on the New course was necessary as she and Blenkarne found themselves two down after three holes against Andy Clark and Nigel Lawrence.

Blenkarne, however, drove well at the long 13th where Barnard struck a three-wood to the green to put them in front for the first time with a birdie four. In fact, the match produced eight birdies, although Barnard saved the best till last when, at the 17th, she holed from 30 feet for a two to secure a 3 and 1 victory.

Barnard missed out by only £470 on winning a place last year in Europe's team for the Solheim Cup match against the United States, but whereas she progressed to the third round, so Alison Nicholas and Dale Reid, who did compete in that inaugural match, failed.

Nicholas, who leaves on Saturday for the Dinah Shore tournament at Mission Hills, Palm Springs, and Maureen Garner were two up after nine holes but lost to Phil Taylor and Max Taylor by two holes. Reid also played in the Solheim Cup, and Corinne Dibnah, of Australia, who won 12 months ago, also went out.

RESULTS FROM SUNNINGDALE

Old course

FIRST ROUND: L Fielding and M Deal (Enfield) bt M Landsborough and M Mockridge (Royal Ashdown Forest), at 19th; R Edwards and I Roper (Portsmouth) bt C Dibnah (Aus) and D Reid (Ladybank), 2 holes; K MacDonald and J Lovell (Berkshire) bt A Rattue and J Lowe (St George's Hill), 3 and 2; N Baron (Sunningdale) and S Holden (Rossendale) bt D Garland (Ele) and M Tate (Alnmouth), 6 and 5; C Haylar (Blackmoor) and G McQuitty (Goodwood) bt M Brosnan and J Brosnan (Sundridge Park), 2 and 1; C Duffy and K Dallas (Maidenhead) bt N Cameron (Royal St George's) and J Bayman (Berkshire), 2 and 1; P Lyons (Sundridge Park) and T Spence (Chislehurst) bt D Morgan (Wexham Park) and P Williamson (Stoke Poges), 8 and 7; P Thornley (Farrington) and K Marron (Richmond) bt C Harraway and S Robertson (Swindon), 2 and 1; A Carter and A Hart (West Hill) bt K Lovelock and T Cooper (Stoke-by-Nayland), 5 and 3; D Sheppard (West Berks) and M Dack (Lyme Regis) bt N Green and P Lewin (East Sussex), 1 hole; B Turner (Sunningdale Artisans) and S Pickles (Lee-on-the-Solent) bt D Burton and T Smith (Downshire), 3 and 1; C Panton (Twickenham) and S Moon (US) bt D McClelland and J Dodds (Silvermere), 4 and 2; S Preston and C Stephenson (Warren Park) bt P Wesselingh (Chorley) and I Grant (Leamington), 2 holes; S Townsend and M Jones (Sand Moor) bt A Barr and J Nudds (Gerrards Cross), 5 and 4; J Putt and D Craik (Frilford Heath) bt M Warwick (Elstree) and C Woodcock (Harefield), 6 and 5; D Regan (West Byfleet) and S Barr (West Kent) bt C Tucker (Quietwaters) and S Cips (Orsett), 1 hole.

SECOND ROUND: J Wilshire (Hindhead) and J Good (Shirley Park) bt I Parker (Yelverton) and G Ross (Greenock), 6 and 5; J Davies and J Jermine (Sunningdale) bt P Chapman (Farnham Park) and K Bull (NZ), at 19th; R Watkins (Burley) and R Parkhouse (West Malling) bt M Sutton and W Hewlett (Royal Blackheath), at 19th; D Smalley and R Loch (Sunningdale) bt R Cameron and K Bayliss (Abbey Park) 1 hole; A Carter (Lincoln) and G Stafford (Gainsborough) bt T Marsden (Croham Hurst) and G Bratt (Shirley Park), 4 and 3; P Barber (Didsbury) and P Harrison (unattached) bt C Williams (West Essex) and B Smith (Petron), 4 and 3; T Milford and P Stuart (Sittingbourne) bt V Elvidge (NZ) and J Terrell (St George's Hill), at 20th; D Fitzsimmons (Bushey) and P Simpson (Harpenden Common) bt A Drake (Muswell Hill) and J Paramor (Wentworth), 3 and 2; S Green and K Elvin (Ashford) bt A Marsh (Cleeve Hill) and S Claridge (Stinchcombe Hill), 3 and 2; K Douglas and J Soulsby (unattached) bt T Foster and D MacPherson (York), 1 hole; K Wickham (Lime Trees Park) and I Godleman (Northwood) bt M Newman and V Phillips (Stoke Poges), 1 hole; C Platts and D Jones (Three Rivers) bt M Wall and M Isaacs (Jack O Legs), 5 and 3; R Williams (Niblicks) and S Pasford (Croham Hurst) bt R Turner and B O'Donovan (Highgate), 7 and 5; A Howard and C Manson (Sunningdale) bt C Jarvis and S Bennett (Colchester), at 20th; M Job and O St George-Browne (Richmond) bt I Waugh and (Hexham) and K Saint (Richmond), 4 and 3; C Clark and M Hughesdon (Sunningdale) bt S Meade and M Fleming (Moor Park), 4 and 3; K Hinton (Hollye) and M Platts (Silvermere) bt G Hapsworth and P Laycock (Colnbrook), 7 and 6; B Critchley and R Hunter (Sunningdale) bt J Bradbrook (Ruislip) and M Stanton (Mill Hill), 5 and 4; B Ellis and P Fisher (Shirehampton) bt P Conley (Abbotsley) and P Emory (Merion), 4 and 3; G Torbett (Chipstead) and K Williams (Coombe Hill) bt P Blendell and S White (Okehampton), 6 and 5.

New course

FIRST ROUND: D Talbot and P Talbot (Royal Mid-Surrey) bt R Tickner (Richmond Park) and S Tickner (Home Park), 4 and 2; P Sherman (Ashford) and P Easto (Sundridge Park) bt S Hatton and F McQuirk (Princes), 4 and 3; E Pugh (Quietwaters) and M Walker (Warren) bt S Wood and C Baker (Chingford), 7 and 6; M Jarvis and C Conell (Shillinglee) bt P Franklin and G Robbins (Cirencester), at 19th; C Buttivant and J Stapleton (Gerrards Cross) bt A Reynolds (Royal Cinque Ports) and A Hall (Blackmoor), 2 and 1; B Lane (unattached) and M Devetta (Sunningdale) bt J Burrell and D Cook (Copthorne), 2 and 1; M Howell (Henley) and S Lloyd (Twickenham) bt A Francis and R Goudie (Bramley), 4 and 3; R May and P Hargreaves (Welwyn Garden City) bt R Grafham and B Price (Stoke Poges), 5 and 3; A Howard and J Growe (Castletown) bt G Davies and C Clarke (Burghley Park), 5 and 4; A Biggins and R Bolton (Sunningdale) bt I Campbell (Wimbledon Park) and T Sims (Wentworth), 5 and 4; C Turnell and K Ruffle (Ham Manor) bt J Hoskison (West Surrey) and P Hollington (Guildford), at 19th; J Hall (Felixstowe Ferry) and C Hourihane (Stoke Poges) bt J Earl and C Jones (Ifield), 5 and 4; D Lambert (Herne Bay) and G Peddle (Bramley) bt M Nichols and A Lovelace (Ashford Manor), at 19th; S Rokes (Faversham) and C Hodgson (Ashford) bt R Lane (Moor Allerton) and D Playton (Olton), 5 and 4; D Hickman and K Hickman (Waterlooville) bt G McCarthy (Thorpe Hall) and G Clark (Rochford Hundred), at 19th; M Homewood and K Smale (Coulsdon Court) bt D Oliver (Ludlow) and G Key (unattached), 3 and 2.

SECOND ROUND: L Warwick (Rochford) and D Eagle (unattached) bt D Webb (West Malling and N Haynes (Lullingstone Park), 4 and 3; M King (Sunningdale) and J Healey (Hull) bt S Blight (East Hunt) and R Wilkins (Cheshunt), 3 and 2; N Wichelow (Harefield Park) and P Giozler (Ruislip) bt N Bundy and R Cole (Peterborough), 6 and 5; S Wood (Herne Bay) and B Hodkin (Shortlands) bt K Imrie (unattached) and C Lambert (North Berwick), at 19th; J Christine (Worplesdon) and S Prosser (RMC) bt G McGlinchey and F Mees (East Sussex), 2 and 1; J Robinson (unattached) and W Henry (John Hill) bt L Macpherson and S Macpherson (Felixstowe), 6 and 5; P Taylor and K Taylor (Tyrrells Wood) bt M Garner (Belle Golf) and A Nicholas (Dughtred Harrison), 2 holes; D Gleeson and P Crawford (Porters Park) bt R Whitehead (Moor Park) and L Farmer (West Middlesex), 2 holes; S Murray (Hendon) and S McAsey (Moor Park) bt W Farrow and T Morrison (Reading), 5 and 4; L Percival (Sandiway) and N Holloway (Huntercombe) bt A Egford and K Egford (Bramshaw), 3 and 2; M Kirby (Purley Downs) and R Dickman (Walton Heath) bt L Spencer (Heswall) and S Robinson (Heswall), 1 hole; P Tupper and A Matthews (Blackmoor) bt L Johnson and S Brady (Burhill), 4 and 2; N Blenkarne (Parkstone) and D Barnard (Sansetau) bt A Clark (Old Fold Manor) and N Lawrence (Academy Holdings), 3 and 1; C Lark (Warley Park) and E Smith (West Essex) bt T Minshall (Hill Valley) and A Griffiths (Llanymynech), 4 and 3; M McLean and I Whyatt (Chesterfield) bt G Hunt and A Hall (Harrsbourne), 2 and 1; I Stungo (Sunningdale) and P Green (Bath) bt G Cowlishaw (Farnham) and S Watkins (Littlestone); B Waites (Notts) and J Collingham (Sherwood Forest) bt C Baron and A King (Woburn), 2 holes; K Robson (Cooden Beach) and P Lane (Watford) bt R Forde (Calcot Park) and A Jarrett (Home Park), 6 and 6; G Farr (Ludlow) and K Valentine (Hill Valley) bt K Maxwell and P Davies (Sunningdale), 4 and 2; B Puttick (Ramsey) and J Weir (La Manga) bt M Peel and J Peel (Bury), 4 and 3.

ROWING

Appointment at a 'delicate' stage

By Mike Rosewell, Rowing Correspondent

THE Amateur Rowing Association Council received no concrete news concerning the appointment of a coach for the British heavyweight men in London yesterday, although Neil Thomas, the association president, said that "discussions are at a delicate stage".

The form of these discussions was not elaborated upon, but they presumably involve Jurgen Gröbler, Leander's new German coach, who is already coaching many of the national squad members at Henley.

The heavyweight squad is based at various locations apart from Leander, one being London University. John Kinnear, the university's representative, commented that "there are many centres of excellence apart from Leander."

Brian Armstrong, the International rowing manager, made it clear, however, that there was "no intention to transfer international rowing to Leander Club."

IN BRIEF

FELICITY Gallup, who gave up a modelling career in Japan to take up badminton again, and Julie Bradbury were newcomers selected yesterday in the England party for the world championships in Copenhagen from April 24 to May 12.

England have also picked Simon Archer, a student teenager, as a reservein case Anders Nielsen does not recover from an ankle injury he sustained at the All England Championships last week.

ENGLAND PARTY: Men: D Hall, S Butler, A Nielsen, M Smith, N Ponting, D Wright, C Hunt, A Goode, res S Archer. Women: H Troke, J Bradbury, F Gallup, J Muggeridge, G Clark, G Gowers, S Sankey, C Johnson.

BILLIARDS: The world professional championship is to be staged in Delhi from May 12 to 18, the first time it has been held in Asia.

SQUASH RACKETS: Scottish Open squash promoter, Trevor Marshall, may defy the International Squash Players' Association by changing the format of next week's event in Glasgow to best-of-three set matches from best-of-five, except the final.

ATHLETICS: Borut Bilac, the Yugoslav long jumper, who was stripped of the European Championship bronze medal last year after a positive drugs test, may have the medal returned and his two-year ban lifted after further checks showed he was not guilty.

CYCLING

Finance still needed for development

THE go-ahead for the £360,000 replacement of the existing Herne Hill track in south London, which has its centenary this year, has been given by the leisure committee of Southwark Council (Peter Bryan writes).

But this second phase of a three-phase project — the demolition of the present 457-metre asphalt "bowl" and its replacement by a smaller cement one of 400 metres — has still to gain the approval of the council's policy committee, which next meets in mid-April.

Only £85,000 is available towards the cost from the leisure committee's budget and the £100,000 shortfall of Southwark's total contribution will have to be funded by the council's 1991-2 capital programme. The balance of the total cost is dependent on a grant of £175,000 from the regional Sports Council, which may need renegotiation.

It is evident that major work cannot start until the beginning of May, well behind the original schedule. The British Cycling Federation said yesterday that the planned new track at Herne Hill would not be linked in any way with London's bid for the Olympic Games in 2000.

FOR THE RECORD

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION (NBA): Philadelphia 76ers 99, Orlando Magic 91; Chicago Bulls 121, Denver Nuggets 108; Dallas Mavericks 104, Sacramento Kings 88; Phoenix Suns 111, Indiana Pacers 103.

BOXING

LAS VEGAS: Heavyweight: Mike Tyson (US) bt Donovan Ruddock (Can), rsc 7th round. WBC and IBF super lightweight championship: Julio Cesar Chavez (Mex) bt John Duplessis (US), rsc 4th round. WBC welterweight championship: Simon Brown (US) bt Maurice Blocker (US), rsc, 10th round.

ICE HOCKEY

NATIONAL HOCKEY LEAGUE (NHL): Calgary Flames 4, Winnipeg Jets 3 (ot).

NETBALL

CARDIFF: International tournament: Senior: Wales 52, Scotland 45. Under-21: Wales 37, Scotland 27. Under-18: Wales 48, Scotland 27.

RUGBY UNION

CLUB MATCHES: Cancelled: Nottingham v Loughborough Students, Newbridge v Cross Keys.

U-21 MATCH: Combined Services 9, England Students 22.

NOTTS, LINCS AND DERBYSHIRE CUP: Quarter-finals: Newark 9, Moderns 12; Mellish 12, Ashbourne 9; Southwell 10, Paviors 33; Derby 13, Mansfield 3.

COUNTY CUPS: Finals: Cornwall (corrected result): St Ives 6, Redruth 12. Dorset and Wilts: Dorchester 12, Salisbury 19. Kent: Semi-final: Snowdown Colliery 10, Sidcup 32.

UNDER-21 DISTRICT CHAMPIONSHIP: Glasgow 13, North and Midlands 10.

YACHTING

WARSASH SC: Second spring series: IOR: Teamwork (D Head). CHS1: Dump Truck (C Hobson). CHS2: Valkyrie (S Green). CHS3: Flair II (J Macgregor). CHS4: Menace (T Reed). Sigma 38: Arbitrator (S Bailey). Sigma 33: Circe (P Thomas). J24: Ludor (R MacKenzie). Sonata: Acolian (J Dudley).

FOOTBALL

BARCLAYS LEAGUE: Fourth division: Postponed: Torquay v Aldershot.

B AND Q SCOTTISH LEAGUE: First division: Postponed: Partick v Ayr.

OVENDEN PAPERS COMBINATION: Chelsea 3, Reading 0; Queen's Park Rangers 2, West Ham 1; Tottenham 2, Norwich 3.

CZECHOSLOVAK LEAGUE: Sparta Prague 3, Slavia Prague 1; Zbrojovka Brno 0, Dukla Banska Bystrica 1; Tatran Presov 4, Dukla Prague 2; FC Nitra 0, Sigma Olomouc 0; Spartak Hradec Kralove 2, Inter Bratislava 1; Bohemians Prague 2, TJ Vitkovice 1; Slovan Bratislava 2, Union Cheb 0; Banik Ostrava 4, DAC Dunajska Streda 0. Leading positions: 1, Slovan Bratislava, 2, Union Cheb, 24; 3, Dukla Banska Bystrica, 22.

Late results on Monday

BARCLAYS LEAGUE: Second division: Port Vale 0, Ipswich 2. Third division: Southend 2, Birmingham 1; Tranmere 1, Bournemouth 0. Fourth division: Postponed: Stockport v Northampton.

GM VAUXHALL CONFERENCE: Bob Lord Trophy: Semi-final, second leg: Kidderminster 2, Barrow 4 (Barrow win 6-2 on agg).

UNDER-19 INTERNATIONAL: Scotland 3, Republic of Ireland 0 (abandoned after 68min — rain).

VAUXHALL LEAGUE: AC Delco Cup: Semi-finals, second leg: Carshalton 0, Redbridge Forest 2 (Carshalton win 4-3 on agg); Dagenham 1, Woking 1 (Woking win 3-2 on agg). First division: Harlow 1, Heybridge Swifts 1. Second division north: Purfleet 0, Saffron Walden Town 0.

HFS LOANS LEAGUE: President's Cup: Semi-final, first leg: Fleetwood 2, Southport 1. Postponed: Bangor City v Witton. First division: Emley 0, Curzon Ashton 0.

NORTHERN LEAGUE: First division: Newcastle Blue Star 3, Alnwick Town 2.

OVENDEN PAPERS COMBINATION: Oxford Utd 0, Southampton 1; Crystal Palace 2, Luton 2.

PONTINS CENTRAL LEAGUE: First division: Leicester 0, Nottingham Forest 3; Aston Villa 0, Manchester United 1; Sunderland 1, Newcastle 3. Second division: Middlesbrough 1, Burnley 0; Notts County 3, Blackpool 3.

FA YOUTH CUP: Fifth round: West Ham 3, Notts County 1.

CENTENARY SHIELD UNDER-18 INTERNATIONAL: England 2, Wales 2 (at Gloucester).

RUGBY FIVES

NATIONAL CLUBS CHAMPIONSHIP: Quarter-finals: Executioners 101, RFA Club 79; Manchester YMCA 112, Alleyn OB 98; RFAC (Yorks) 98, Wessex 49; West of England 127, Jesters 78. Semi-finals: RFAC 119, West of England 70; Manchester 99, Executioners 81. Final: RFAC 108, Manchester 78.

INTERNATIONAL MATCH: Eastern Counties 18, Netherlands 7.

TENNIS

VAUXHALL INDOOR TROPHY: Men: Quarter-finals: Hallamshire Sheffield 2, Puma Sunderland 0; Chris Lane Woking 0, David Lloyd Slazenger Heston 2; Queen's Club London 2, West Hants Bournemouth 0.

CAMP DE MAR, Majorca: C and A British Champion of Champions: Singles: Quarter-finals: Men: N Dyson (Middx) bt M Tomlinson (Middx), 6-3, 6-0; H McGuiness (Essex) bt C Gill (Notts), 6-1, 7-6; P Ranson (Yorks) bt G Sattery (Berks), 6-1, 7-5; S Ickringill (Yorks) bt B Parker (Durham and Cleveland), 6-0, 6-1. Women: D James (Middx) bt T Powell (Lincs).

TODAY'S FIXTURES

FOOTBALL

European Cup
Quarter-finals, second leg
First leg score in brackets

Real Madrid (0) v Spartak Moscow (0)
Marseilles (1) v AC Milan (1)
Dynamo Dresden (0) v Red Star Belgrade (3)
Porto (1) v Bayern Munich (1)

European Cup Winners' Cup

Sampdoria (0) v Legia Warsaw (1)

Barclays League
First division

Arsenal v Nottm Forest (7.45)

Second division

Brighton v West Bromwich
Bristol R v Swindon (all ticket)
Leicester v Charlton (7.45)
Millwall v Middlesbrough
Newcastle v Oxford Utd
Oldham v Hull
West Ham v Bristol C (7.45)

Third division

Bradford v Exeter (7.45)
Grimsby v Chester

Fourth division

Hartlepool v Doncaster
Lincoln v Peterborough (7.45)
Torquay v Aldershot
Walsall v Maidstone

GM Vauxhall Conference

Welling v Boston

B and Q Scottish League
First division

Hamilton v Forfar
Meadowbank v Falkirk

Second division

Cowdenbeath v East Fife

OVENDEN PAPERS COMBINATION: Portsmouth v Crystal Palace (7.0).

PONTINS CENTRAL LEAGUE: First division: Derby v Blackburn (7.0); Rotherham v Sheffield Wed (7.0); Sheffield Utd v Wolves; Sunderland v Coventry (7.0). Second division: Bolton v York (7.0); Hull v Stoke (7.0); Preston v Scunthorpe (7.0).

VAUXHALL LEAGUE: Premier division: Wivenhoe v Dagenham (7.45). First division: Chesham v Chalfont St Peter; Molesey v Wembley. Second division north: Collier Row v Billericay; Edgware v Tring. Second division south: Feltham v Cove; Hampton v Banstead Athletic.

HFS LOANS LEAGUE CUP: Semi final, first leg: Caernarfon v Buxton. Premier division: Bangor City v Mossley. First division: Radcliffe Borough v Emley.

BEAZER HOMES LEAGUE: Premier division: Atherstone v Bashley; Weymouth v Farnborough. Midland division: Alvechurch v RC Warwick; Dudley v Stroud.

Southern division: Burnham v Fareham; Salisbury v Hastings.

IRISH LEAGUE: Roadferry Cup: Final: Ards v Glentoran (at Windsor Park, 7.45).

ABACUS WELSH LEAGUE: National division: Cwmbran v Ammanford; Ton Pentre v Ferndale.

GREAT MILLS LEAGUE: Premier division: Chard v Weston super Mare; Tiverton v Liskeard Athletic; Saltash v Dawlish.

JEWSON EASTERN COUNITES LEAGUE: Premier division: Thetford v Cornard.

WEEKLY WYNNER LEAGUE: Premier division: Brigg v Spennymoor.

WENDY FAIR CAPITAL LEAGUE: Leyton Orient v Brentford; Slough v Colchester; Southend v Sutton Utd; Cambridge v Wokingham.

RUGBY UNION

HEINEKEN WELSH LEAGUE: First division: Ebbw Vale v Penarth (7.0).

RUGBY LEAGUE

STONES BITTER CHAMPIONSHIP: First division: Widnes v Warrington. Postponed: Featherstone v Wigan. Second division: Doncaster v Halifax.

OTHER SPORT

AMERICAN FOOTBALL: Tour matches: Blackpool Falcons v Oregon All Stars; NW Spartans v US College All Stars (7.0).

BOWLS: Men: British Isles indoor championships and International (Aberdeen); Women: British Isles indoor championships (Prestwick).

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SPORT

MCC considers women's membership again

By RICHARD STREETON

WITHIN the next three weeks, MCC's 18,000 members will hear how the club plans to tackle the question of allowing women members for the first time.

Proposed rule alterations from two members, permitting women to join, appear on the agenda due out shortly for the annual meeting on May 1. It would be a surprise, though, if the necessary two-thirds majority was secured from a membership which, by custom, has been exclusively male for more than 200 years.

In a less radical move, the MCC committee is understood to have tabled another resolution which could be seen as an acceptable compromise. Under the rule which allows it to elect distinguished persons to honorary membership, the committee is believed to have recommended that it should in future be allowed to select women for this category.

Women's membership first became an issue last October when Rachel Heyhoe-Flint, a former England captain and former women's cricket official, applied to join MCC. She had spotted that the constitution did not specifically debar women.

Her action followed only a few months after Middlesex asked MCC if its women members could be permitted to use the Lord's pavilion during Middlesex matches at the ground. This is common practice among other counties where women members have equal rights to all facilities.

It is understood that MCC plans to hold a postal ballot among its members on this closely related issue, which would only necessitate an amendment to the Lord's ground regulations rather than a change of club rule. The questionnaire would also ask MCC members if they wished to be allowed to introduce their own women guests into the pavilion for all but the most important fixtures.

Though hard on Middlesex, a negative vote can probably be anticipated. Previously, the Queen has been allowed to watch cricket from the pavilion, but other women have been admitted only to certain areas after close of play.

From the time when first Middlesex and then Heyhoe-Flint set their requests in motion, MCC acknowledged that the decisions the club faced were momentous and should not be shirked. It now believes an appropriate mixture of choice has been offered for the members' decision and is resigned to the inevitable publicity, whatever is decided.

The resolution to allow women to become members is in the names of Tim Rice, the lyricist, and Brian Johnston, the commentator. They were among Heyhoe-Flint's original sponsors and were persuaded to submit proposals covering all women.

The omens for them are not good. Three years ago, when MCC conducted its own poll on the subject, 70 per cent of the 4,000 who voted were against women members. Should the unexpected happen, it would still be 20 years or more before any woman's name was reached on the club's waiting list.

The proposal for honorary membership for women was how the Lord's Taverners dealt with the same situation, and it has worked well. To follow suit would be an imaginative gesture by MCC in the 1990s, when men-only clubs have become an anachronism. It could presumably be introduced without too much delay, justice would be seen to be done by the feminists and the most hidebound MCC member could surely not object.

The privileges available to the new category could be carefully spelled out. Heyhoe-Flint has consistently stressed that she has no wish to use the pavilion regularly nor to "rock the boat" in any other way. The few women likely to be accepted for honorary membership would almost certainly hold the same sentiments.

Marseilles close in on Europe's ultimate reward

From DAVID MILLER IN MARSEILLES

MARSEILLES' footballers tonight hope substantially to add to the glory that their predominantly southern compatriots produced in rugby defeat at Twickenham last Saturday. One goal can see them through to the semi-final of the European Cup: the trophy that French initiative helped to launch in 1956 but which no French team has ever won.

Reims and St Etienne both reached the final, only to lose respectively to Real Madrid, in their prime, and to Bayern Munich at Hampden Park when the French played nearly all the football in vain. It would be ironic if Franz Beckenbauer, the former captain of Bayern and now technical director of Marseilles, were nominally to guide France to their first champions triumph. It is well on the cards.

Beckenbauer had no experience of club management until Bernard Tappie, Marseilles' millionaire president, controversially gave him the job following West Germany's victory in the World Cup under Beckenbauer's less-than-firm hand. Happily, there was little evidence in the quarter-final first leg against Milan of the cynicism that Germany had shown in last summer's final against Argentina. There is every chance that tonight's encounter may be a proper football match played on positive lines by two teams neither of which is defence orientated.

Beckenbauer, who had the coaching responsibility removed from him and handed to Raymond Goetals, formerly the coach of Standard Liège, during a pre-Christmas crisis, denied yesterday that Marseilles would play defensively for the goalless draw that would take them through to the semi-final following a 1-1 first leg achievement at San Siro.

Although Milan began the first leg in a confident manner, suggesting that they had every likelihood of winning the cup for the third year running — thereby emulating Real, Ajax and Bayern — they finished that match in some disarray. Marseilles revealed in the second half spontaneous, open man-to-man passing; and in the Ghanaian midfield player, Pele, and in Papin in attack, together with a maturing Waddle in a roving role, they have the forces to dispossess Milan in every sense.

All is not well for the holders. They lost 1-0 at home to Atalanta in the league at the weekend and will still be without Van Basten in attack because of suspension. Even with Gullit once again fully fit, they were lacking in teeth in the first leg.

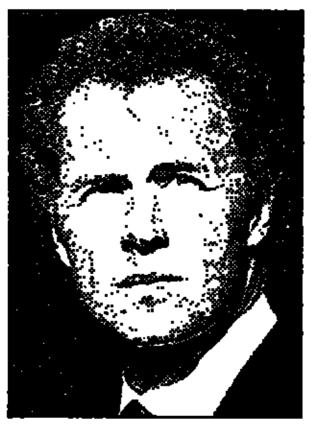
Arrigo Sacchi, Milan's coach, was yesterday putting on a brave front in the face of adversity. "Anyone who thinks we're going to be resigned to defeat," Sacchi said, "is making a big mistake. On the day, we are hoping to find the real Milan again."

Italian optimism is increased by the return of Baresi in defence, following injury which kept him out of the first match. In his absence, Milan were disorganised and often fretting. They survived the first round after being held at home by Bruges, but this is another matter.

Marseilles may suffer now from the absence of Pardo in midfield. He damaged a knee in training and will be replaced by Fournier. Papin, who missed the match against St Etienne at the weekend with flu — a 1-1 draw — will be back in the side, while Cantona, his international attacking partner, who was disciplined in the first leg and left at home for dissent with Goetals, is now expected to play.

"We're in good shape, very good shape at the moment," Goetals said yesterday. "We're ready, in spite of Pardo's injury, to reach for the aim we set ourself."

I expect the French to get home 2-1, but any casualness could see Milan qualify on away goals in a 2-2 draw.



Beckenbauer: new role

Steele verdict not stainless

From SRIKUMAR SEN
BOXING CORRESPONDENT
LAS VEGAS

MIKE Tyson continued on his mission to regain the world heavyweight championship with a victory in the seventh round over Donovan "Razor" Ruddock here on Monday. But the crowd of 15,000 who packed the arena at the Mirage Hotel to cheer him sent him on his way with boos ringing in his ears.

Tyson, the boxer, may view the controversial victory through the intervention of the referee, Richard Steele, as a case of "finders keepers, losers weepers" but historians will record the win as an inconclusive one.

Tyson would almost certainly have finished the job had Steele let him continue belabouring the dazed Jamaican. But having separated the two men and turned to order Tyson to a neutral corner, Steele did not notice that Ruddock had recovered sufficiently to carry on.

Taking note of the fact that Ruddock had not only shown incredible powers of recovery in two knockdowns in the second and third but came back strongly in the sixth to hurt Tyson, Steele should have given him a standing count. As Steele signalled the contest over, a surprised Ruddock was seen to exclaim "What!"

Clearly, the intervention had been too early for ringsiders and the public; coming as it did after a strong revival by Ruddock and with Tyson looking unhappy in the sixth round. Delroy Ruddock, the boxer's older brother and manager, said: "The first opportunity to stop the fight, and they took it." Ruddock's men had not wanted Steele, for they believed he was too close to Don King. But their protest before the contest had been overruled by the Nevada Commission.

Delroy Ruddock got into the ring to protest, only to be hit by a punch and a neck-lock from Richie Giachetti, Tyson's chief trainer. Suddenly, the ring was filled to bursting with free-for-alls between cornermen and officials. Blunt words and blows were exchanged and sharp suits pulled askew.

Steele said afterwards in a statement: "The guy was hurt. There was no need in counting out. It's my job to stop him being seriously hurt and the next punch would have done. They are always coherent when the fight is over. He wasn't coherent. There were two human beings' lives on the line and nobody was going to let me let the fight go too far."

Ruddock's promoter, Murad Muhammad, said he would be protesting about Steele's refereeing to the Nevada Commission. "Mr Steele did exactly what we said he was going to do," Muhammad said. "As he stopped the fight, my fighter looked at him outraged."

Ruddock maintained that he could have boxed on. "I could have continued. You take a good shot, recover and continue. He is the hardest hitter I have faced. I think a rematch is in order."

Tyson said: "I can't make a judgment on Richard Steele. He is an experienced referee and I am not his peer. I would have liked to have finished Ruddock off."

It was amusing to see Tyson enter the ring dressed in a suit borrowed from Andy Pandy, hat and all, to ward off an icy wind from the snow-capped mountains. He looked small next to Ruddock, who weighed 228lb against Tyson's 217lb and at 6ft 3in stood 3½ inches taller than the former world champion.

Ruddock was fired up from the moment he entered the ring and had to be cooled down by one of his handlers, who emptied a bottle of water over his head. It was clear that a battle would unfold, even though Tyson was getting on top round by round.

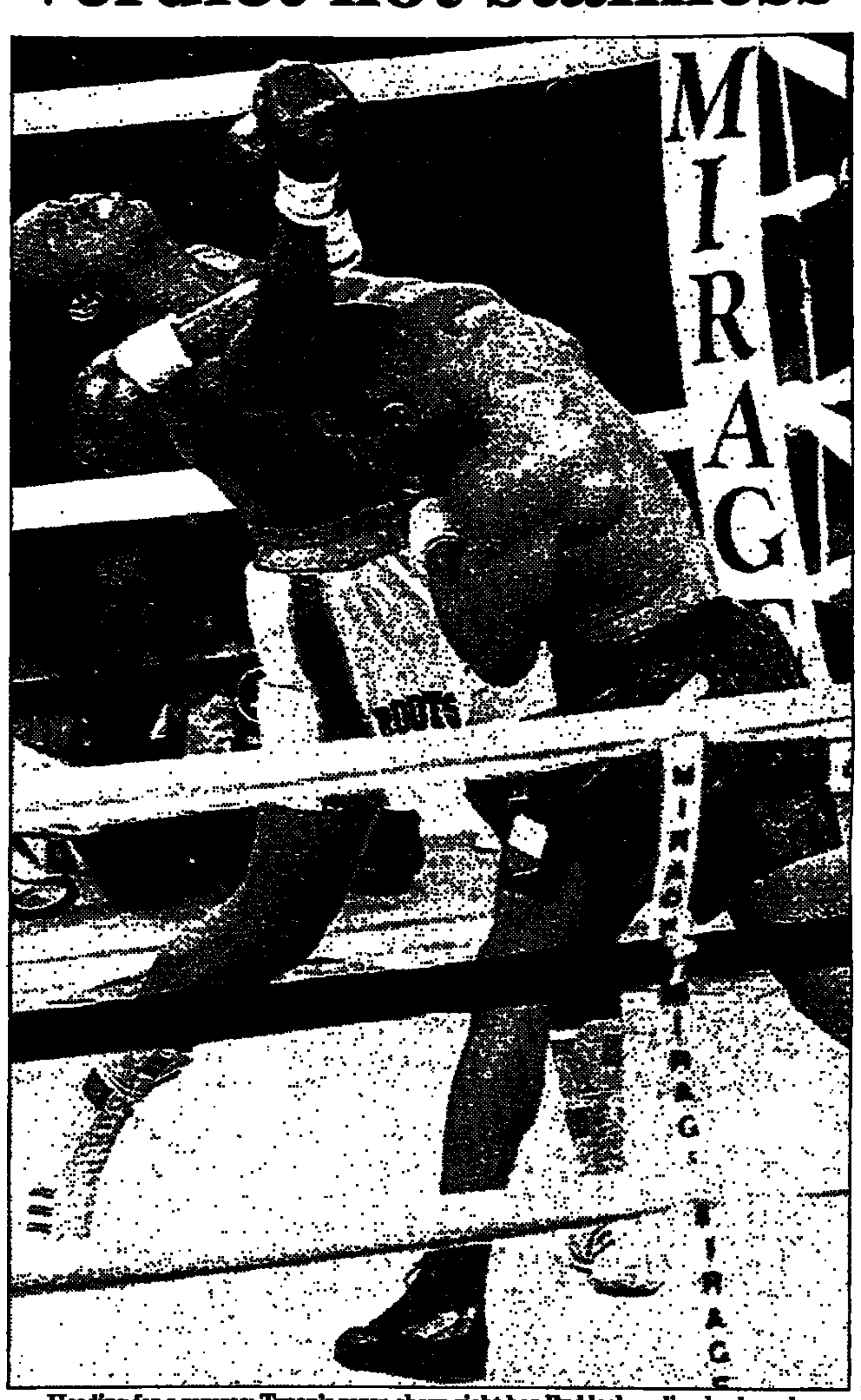
Taking four out of the five rounds and landing the heavier blows, he could at no time be said to be absolutely in control. At times he looked little more than just a "whacker". Ruddock took Tyson's best punches, picked himself up off the floor and, contrary to the belief that he had a weak heart, gritted his teeth and came right back at Tyson after every onslaught by the smaller man. Tyson admitted afterwards: "Oh, man, he punches like a mule kick. A couple of times he hurt me, but I refused to be hurt."

Ruddock's tactics were well conceived: to hit the incoming Tyson with uppercuts to deflect the overhand right by meeting it with an extended left arm, and then tying him up close in. Ruddock said: "I didn't do the jab because I knew it would not stop him. I relied on uppercut and left hook."

It worked well. Tyson took tremendous blows before getting close enough to floor Ruddock on two occasions. The first, in the second round, was more a slip than a knockdown. Ruddock caught a left hook on his right arm. In the third, Ruddock was sent flying backwards by a left hook and had to take a count of eight. So cleverly did Ruddock negate Tyson's best efforts that Giachetti yelled at Tyson: "You are going to sleep a little. Stick to your game plan."

The fifth was Tyson's best round. A right uppercut almost lifted Ruddock off his feet. Ruddock seemed tired but kept plugging away with his own uppercut. His best round was the sixth; a left hook spun Tyson sideways and a right followed through. Tyson stepped back. Ruddock sent in a straight right and a left. For the first time Tyson backed up. He smiled and shook his head to show he was not hurt but Ruddock knew that when boxers do that, it means the opposite.

Suddenly, Tyson looked flatfooted. As Lennox Lewis, the British and European heavyweight champion, put it: "The sixth looked like Tokyo all over again."



Heading for a reverse: Tyson's razor-sharp right has Ruddock reeling backwards

Elliott waves victory goodbye

PARETS del Valles, Spain (AP) — Alfonso Gutierrez, of Spain, took advantage of a finish-line lapse by Malcolm Elliott, of Britain, to win the second leg of the Catalan Week cycling race yesterday. Nestor Mora, of Colombia, retained the overall lead in the five-day race.

Elliott led the pack with metres to go but raised his hands in triumph before reaching the finish line, allowing the Spanish rider to edge him out. Elliott finished third, behind the Soviet, Dmoldjine Abdujaparov.

Gutierrez took 4hr 26min 27sec to cover the 186-kilometre leg from Lloret del Mar to Paret del Valles, Abdujaparov and Elliott were awarded the same time.

The leg was filled with escapes but the pack was compact when it reached the final gradual ascent towards the finish line, where the sprint specialists took over.

The third leg, today, will be held over a 207.5-kilometre course from Barcelona to Andorra. It contains three tough climbs, the second-class Cardona mountain pass, the third-class Alto del Claro and the first-class La Comella pass.

The race is set to end on Friday after a total distance of 764.5 kilometres.

RESULTS: Second stage: 1, A Gutierrez (Sp), 4hr 26min 27sec; 2, D Abdujaparov (USSR); 3, M Elliott (GB); 4, H Redant (Bel); 5, M Angel Iglesias (Sp); 6, K Weltz (Den), all same time. Overall: 1, Nestor Mora (Col), 8:11:44; 2, Gutierrez, 8:11:45; 3, Elliott; 4, V Ekimov (USSR); 5, J Heppner (Ger), all same time.

Lloyd hits out at selectors

BRIDGETOWN (Reuter) — Clive Lloyd, the former West Indies cricket captain, is puzzled by West Indies selection policy, particularly the omission of the batsmen, Carlisle Best and Clayton Lambert.

The West Indies team manager until last year, Lloyd said in a newspaper article that he felt the time had come to introduce younger players into the Test team.

"I am finding it very difficult to understand the method our selectors are using," he said yesterday. "At a time when we are searching for players to replace the old guard, I hope my plea has not fallen on deaf ears."

Best has played eight Tests for West Indies while Lambert finished eighth in this season's domestic Red Stripe Cup batting averages.

West Indies play a one-day international against Australia in Georgetown, Guyana, today and the second Test match starts there on Saturday.

France to play in Cardiff

PARIS (AP) - The French rugby union team will play Wales on September 6 in the first floodlit international match at Cardiff Arms Park, it was confirmed here yesterday.

France will also play four matches in the United States in July as part of their preparations for the World Cup. Two of the matches, on July 13 and 21, will be against the American national team; the other two will be against regional selections.

Hare's reprise

Dusty Hare, aged 38, the world-record rugby union points scorer who retired two years ago, has made an unexpected return for Newark, kicking three penalty goals in their 12-9 defeat by Moderns.

Nuneaton face possible suspension of fixtures for the first month of the next rugby union season after having six players ordered off this winter. The club has been called before the Warwickshire disciplinary committee to explain its conduct.

Faldo's change of clubs clinches £5m

By MITCHELL PLATTS
GOLF CORRESPONDENT

NICK Faldo is on the threshold of increasing his annual income to more than £6 million, even if he is unsuccessful next month in defending the Masters title he has won in the past two years.

Faldo is to sever his association with the Wilson Sporting Goods Company to join Mizuno, with whom he can expect to receive £1 million for each of the five years of his contract.

Faldo's earnings have risen to an estimated £4.5 million as he has become beyond doubt the No. 1 player in the world.

He has contracts with Pringle (£1 million), Audamars Piguet Watches (£500,000), Stylo Shoes (£500,000), Bic Razors (£400,000) and Bride Hall Developments (£100,000) to supplement his income from winnings (£500,000), appearance fees (£750,000), videos (£300,000), books (£75,000) and course design (£375,000).

The £1 million from Mizuno, with whom he will officially sign at the end of April, will increase his income to £5.5 million, and it is understood he is to sign two other contracts soon which will comfortably take him past £6 million.

Faldo, who rivals Nigel Mansell as the highest paid British sportsman, is also waiting to hear from the planning departments in Bromley, Feltham and Stanmore to launch an academy with golf ranges based on a Golf For All campaign.

Faldo and Wilson have amicably agreed to go their separate ways, although it was the only solution as Faldo had found himself wrestling with the dilemma as to which club he should have in his bag.

John Simpson, who handles Faldo's business affairs, for the International Management Group, said: "Nick has enjoyed working with Wilson but he has found it psychologically difficult to move away from Mizuno, with whose clubs he won his first major, and with the contract with Wilson ending, he felt the time was right to link with Mizuno. There is a financial consideration, of course, but the bottom line is that this is what Nick wants to do right now."

It is understood that Faldo, the winner of two Open championships and two Masters since he signed with Wilson in April 1987, could have profited more by signing with another club manufacturer.

"I have had four wonderful years working with Wilson, for whom I hope I have helped to design a successful range of clubs," Faldo said. "It is never easy to move on, but I feel the time is right for me to take that decision." He will hope to play an active role with Mizuno, helping in club design as he did with Wilson.

Draw gives semi-final that no one wanted

THE draw for the semi-finals of the Schweppes Cup has thrown together Llanelli and Neath in what would have been everyone's perfect final (Owen Jenkins writes).

Pontypool will tackle Swansea in the earlier of the back-to-back matches, to be played at the National Stadium on Sunday, April 7.

Neath are looking for their fourth consecutive final and third successive win. Llanelli were the last to beat them in the competition, winning the 1988 final, and will be slight favourites after their resurgent form since Christmas.

Gareth Jenkins, the Llanelli coach, said: "There is a big rivalry between the two clubs and I just hope that the stadium can cope with the occasion and the field allows us to play a different type of open game."

Kevin Phillips, the Neath captain, echoed Jenkins' worries about the pitch. "I would have preferred to have played first," he said. "Llanelli are slight favourites because they are playing well. We are not firing on all cylinders."

Pontypool v Swansea (1.30pm), Llanelli v Neath (3.45pm) (both matches at the National Stadium, Cardiff, Sunday April 7).